The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Situation on Manchurian Border--- Will it Be Peace or War?

ARTICLES IN THIS ISSUE

Japanese Relations Towards China Loom Prominently in Okada's and Hirota's Diet Speeches

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Manchurian Open-Door Issue Gathers More Clouds in the Far Eastern Sky *(By the Review's Tokyo Correspondent)*

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How to Resist Japanese Aggression . . By K. K. Ahn

The New Nanking . . . . . By Lai Lien

The Year 1935 . . . . . By C. Y. W. Meng

SATURDAY, JANUARY 26, 1935 VOLUME 71, NUMBER 9

FORTY CENTS A COPY

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ABRIDGED TIME TABLE

1st July, 1934 and until further notice.

Down Trains										Up Trains							
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6.20	15.36	9.13	19.20	13.46	—	20.48	11.24	,, Fengtai	dep.	9.54	10.55	17.21	18.15	22.48	8.47	7.49	—
7.45	16.40	10.21	20.26	15.01	—	22.08	--	,, Langfang	,,	8.50	9.26	15.43	--	21.34	7.45	6.43	—
9.16	17.50	11.28	21.39	16.30	19.07	23.38	13.32	,, Tientsin Central	,,	7.40	8.03	14.14	16.05	20.11	6.39	5.30	9.15
9.25	17.59	11.36	21.48	16.39	19.15	23.47	13.40	arr. Tientsin East	dep.	7.30	7.50	14.00	15.55	20.00	6.30	5.20	9.05
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12.52		14.42		20.14		3.32	16.39	,, Tang-shan	,,		4.15	10.30	12.50	16.37	2.58		
13.39		15.17		20.47		4.20	17.14	,, Ku-yeh	,,		3.30	9.44	12.18	16.05	2.16		
14.29		15.49		21.21		5.12	17.46	,, Lanhsien	,,		2.32	8.45	11.39	15.22	1.18		
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16.43		17.23		23.08		7.33	19.20	,, Chin-wang-tao	,,		0.01	6.25	10.04	13.35	22.59		
17.05		17.40		23.26		7.55	19.37	arr. Shan-hai-kwan	,,		23.30	6.00	9.45	13.15	22.30		
		18.40						dep. ,,	arr.						21.26		
		16.25						arr. Shenyang (Mukden)	dep.						10.15		
	FOR SHANGHAI		FOR PUKOW							FROM SHANGHAI						FROM PUKOW	

S. D.—Sleeping and Dining Cars. D. Dining Car.

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The China Weekly REVIEW

Formerly Millard's Review

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CONTRIBUTING EDITORS

C. Y. W. MENG — S. Y. LEUNG

C. Y. HSIEH — PAUL K. WHANG

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IF THE SAAR HAD BEEN HELD BY THE JAPANESE

THE German victory in the Saar plebiscite aroused intense interest in Japan as indicated in extensive editorial comment in the leading Japanese newspapers, due possibly to a feeling that some of the elements involved in the Saar issue may be present in Japan's conflict with China over the Manchurian question. The venerable finance minister, Takahashi, was quoted in the *Hochi Shimbun* as declaring that it was fortunate that France, instead of Japan, was involved in the issue. Because, if Japan had been involved, "the question would have been a hot one in the Diet and the Government would have been taken to task for doing nothing in the last fifteen years . . . it would have made a noise in Tokyo that even a resignation of the government could not settle."

The *Asahi*, leading Tokyo newspaper, apparently without realizing the significance of its words and their application to Japanese policy toward China, declared that lasting international peace could not be secured by a policy calculated to safeguard one nation's security by placing another nation "in a state of perpetual unrest."

Turning to this side of the Yellow Sea, the *China Times* (Shanghai) called attention to the fact that Manchuria has only been lost to China for a fifth of the time since the Saar was severed from Germany. But the situation in Manchuria and the relations between China and Japan are a thousand times worse than was the situation in the Saar. "If China cannot follow the German precedent in restoring and maintaining the morale of the country, and if the people in China's lost territories cannot follow the spirit of the people in the Saar by never forgetting their relationship with China, the time may never come when China can see the day which Germany sees now. The *Shun Pao* declared that "since it is a disgrace for one people to be ruled by another, the return of the Saar to Germany was only natural . . . patriotism is higher than anything."

No one has, as yet, suggested that the League might also conduct a plebiscite in the Manchurian provinces to determine the attitude of the native population on the question of Japanese or Chinese

rule. But if such a vote was taken the chances are that China would win by a majority even larger than Germany did in the Saar—despite Japan's vast expenditure of money in the region and claims about improved economic conditions. Japan's difficulty in suppressing the so-called "banditry" indicates how sentiment runs in the Chinese northeastern provinces.

THE RED MOVEMENT IN CHINA AS REPORTED BY ITS FRIENDS ABROAD

THE *New Masses*, radical journal published in New York, flatly denied in its issue of Dec. 18 that Juikin, capital of the so-called "Soviet Republic of China" had fallen as a result of the attack launched by Gen. Chiang Kai-shek's troops. The report in the *New Masses*, referring to the dispatches of Nov. 12 telling of the fall of Juikin said, "Had this been true it would have meant a serious if not disastrous blow to the Red army. But subsequent dispatches and an analysis of the situation would seem to prove that the very opposite is the case." Continuing, the report said that what actually had happened was that the Red army had taken the offensive "along a thousand mile front from Chekiang to Szechuen" and that Gen. Liu Hsiang, Szechuen war-lord had lost half of his 170,000 troops to the Red army within a period of ten months.

The publication, *International Press Correspondence*, organ of the Third International, printed in England, published a report in its issue of December 8, stating that the withdrawal of the Red army from Kiangsi province was a "strategic, tactical measure . . . . long contemplated by the Supreme Command of the Chinese Red army, in fact one of the most essential elements of the new tactics resulting from new conditions of the struggle." Continuing this report stated that Gen. Chiang's drive against the Reds "was directed by hunderds of German and Japanese military experts and American, Italian and other airmen, partly recruited by Gen. Chiang Kai-shek and partly placed at this disposal by by various imperialist powers." There then followed a description of the "new tactical methods" adopted by the Red leaders, consisting of a "change of position," from their previous base to Hunan and Kweichow, thus enabling a linking-up with other Red forces in wes. China, etc.

The *New York Nation*, well know liberal journal, in its issue of Dec. 26 stated that fragmentary reports from Hongkong indicated that the main body of the Chinese Red army "had broken throught the blockade imposed by the joint forces of Nanking and Canton and had penetrated the province of Kweichow, where a Communist army under Ho Lung had been operating for some months." Continuing, this report said that "should these reports be confirmed, it would mean that the Chinese soviet troops had covered more than half the distance on their dramatic trek to Szechuen." The report in the *Nation* said that the paucity of Chinese news in New York had been explained by the fact that the correspondent for the *New York Times* "had been on vacation for three months;" however, the correspondent was now back on the job and had reported the abduction and murder of two American missionaries by Communist-bandits "in a district from 150 to 200 miles from the area controlled by the Red army." This report concluded with the statement, "there is no authentic record of a foreigner ever having been killed by Communist troops."

These reports from liberal and radical papers in America and England indicate that while these papers constantly complain of what they term the "mis-reporting" of news by the so-called capitalist press, that they have proved themselves to be even more misleading when reporting events contrary to their own points of view. Apparently in an effort to clear up the confusion which prevails regarding the evacuation of the Red base in southern Kiangsi province, held by the Red army for practically eight years, the National Government last week organized a touring party composed of foreign newspapermen which is now visiting the district. The party is expected to return to Shanghai the latter part of the month.

FIVE GAMBLING HOUSES NOW RUNNING IN WESTERN DISTRICT

FIVE gambling houses, featuring roulette and "yao-tan," a variation of the Cantonese fantan game-of-chance, recently have been opened in the western district of the International Settlement, and according to report, are being operated nightly without interference on the part of the authorities. The resorts are being operated in premises leased by foreigners, all of whom enjoy exterritorial privileges.

In addition to the five gambling houses in the International Settlement, another gambling resort of similar nature, allegedly has been operated in the French settlement within the home of a diplomatic official who also enjoys exterritorial protection. This establishment previously was operated nightly, but recently due to the competition of the houses in the International Settlement, it was forced to reduce its operations to two nights a week. Most of the patrons of the various establishments are said to be Chinese, including a considerable number of officials.

"CHINESE SHOULD APPRECIATE JAPAN'S TRUE MOTIVE"— HIROTA

Mr. Hirota, the Japanese Foreign Minister in the course of his address before the Japanese Diet Jan. 22, said:

> **I regret that in certain localities in China anti-Japanese agitation has not yet been brought to an end, but I am glad to notice "a growing trend among the Chinese people to appreciare the true motive of Japan."**

It would seem that the following comment by an American writer as regards the Nazi regime in Germany is also applicable as regards Japan:

> A leading American correspondent, who has spent years in Berlin, and has written for literally hundreds of newspapers, said to me a few days ago: "If the Germans only realized it, the 'straight news' correspondents, not those who endeavor to comment on and interpret the news, are the most effective in showing up the Nazi regime. Nothing could be more damaging than to quote *exactly* what officials say, and report *precisely* what happens, without color or comment."

Relations of Japan and Soviets in the Far East--- Will It Be Peace or War?

WHETHER the settlement of the long-standing Russo-Japanese controversy concerned with the sale of the Chinese-Eastern railway to Manchukuo will lead to a peaceful adjustment of numerous other outstanding issues between the two countries is impossible to say at this time. That the negotiations have tended to ease the disturbed relations between the two countries is obvious to anyone familiar with the critical situation which has existed on the Manchurian-Siberian border since the Japanese occupation of Mukden in the fall of 1931 and the further Japanese advance into north Manchuria in the winter of 1931-32. There are many who believe that America's sudden recognition of the Soviet Union was designed for, and succeeded in, heading off an outbreak of hostilities between Japan and U. S. S. R. Whether this is a correct assumption can only be known by a few people, but whether correct or not it constitutes evidence of the fact that other nations can exert a considerable influence on the future trend of Russo-Japanese relations. It is no secret that there has been considerable talk about the world for a considerable period that a war between Japan and Russia would be a good thing in that it might solve two troublesome world problems—Japanese imperialism and Russian communism—the argument being that the financial and economic strain on the two countries would bring about revolutionary changes that might be beneficial to other nations. Another statement that one frequently hears is to the effect that "someone must curb Japanese imperialism by the use of armed force; let us hope that Russia will undertake the job" However, it would be advantageous for those who express this viewpoint to realize that prevailing view in influential circles in Moscow is that war between Japan and the United States is inevitable. Also, it might be mentioned in connection with this phase of the subject that the prevailing opinion among foreigners in Tokyo at the present time is that Japan's abrogation of the Washington Naval treaty and scrapping of the Nine-Power treaty have produced a more critical situation in the relations of Japan and America than ever existed since the two nations came into diplomatic contact. Then, there is the problem of Anglo-Japanese relations which have been acute for several years because of Japan's inroads into British markets. But the British have managed in one way or another to keep on good terms with the Japanese, hoping doubtlessly that they would be able to maintain neutrality in the event of a war between Japan and the Soviets or Japan and the United States. Finally, there is the problem of China, constant victim of Japanese aggression. Unable to resist Japan single-handed, the Chinese leaders have followed the policy of procrastinating and giving in when threatened, hoping that something would happen somewhere to relieve the Japanese pressure!

Koichiro Ishihara, president of the Ishihara Trading and Navigation Company, well known in Far Eastern business circles, recently wrote a book entitled "New Japan," in which he advocated that Japan should adopt all possible measures to reach a compromise with Russia in order that Soviet pressure in the Far East might be diverted to the Near East. "It would be far better," he declared, "if the Soviet Union would spend less on its military and industrial arrangements in the Far East, and concentrate on expansion toward Persia." In the event that Russia would be willing to forego her development projects in the Far East, "Japan would be willing to supply the Soviets

MINAMI VERSUS BLUCHER

Japan's appointment of Gen. Jiro Minami as commander of the Kwantung army in Manchuria with powers so greatly increased that he is the virtual dictator of that vast region, naturally produced a deep impression in Moscow. The reason for this was chiefly due to the fact that Minami is the exact opposite of his predecessor, Gen. Hishikari, who was more or less easy going. Minami is of a serious determined nature, otherwise "hard-boiled," and according to recent sketches which have appeared in the Japanese papers and magazines it was Minami who was more responsible than anyone else for the original "Mukden incident" that led to the Japanese occupation of all Manchuria. According to a recent article in the Tokyo magazine *Ishin*, Gen. Minami rose through the various ranks in the army from cavalry inspector, head of the military academy, vice-chief of general staff, commander of the Korean army to Minister of War, due to his breadth of vision, boldness of decision and stern inflexibility. He led the attack against the "weak-kneed" diplomacy of Baron Shidehara, preceding the Manchurian occupation, and was the real originator of the program for a military-fascist regime in Japan. In short, he represents the so-called "resolute" element in the army.

While the outside world is not so familiar with the character of Gen. Blucher, commander of the Soviet army in the Far East, there is no questioning the fact that he is an equally well chosen military leader for the Russian role on the northern side of the Manchukuo-Siberian line. It is difficult to induce any Russian official to talk about Gen. Blucher, but most reports agree that he came from peasant stock and originally was a metal-worker. He was a member of the Communist party before the World War and for two years served in propaganda work, following which he served with distinction in the war. He first appeared in Siberia sometime in 1918, fought successfully at Cheliabinsk but later was captured by the Czech legionaries. He escaped, however, and led a large force of his followers and after unparalleled hardships took a leading part in the defeat of both Kolchak and Wrangel. He captured the Isthmus of Tevekop and was the first man to receive the Red Star, the Soviet military decoration. Sometime in 1924 or 1925 he came to China and under the name of Gen. Galen rendered material help in the Kuomintang drive from Canton to the Yangtsze valley. After the break with Gen. Chiang Kai-shek he returned to Russia and for a time was in Germany. In 1929 he was sent to Siberia and organized the drive that recovered the Chinese Eastern Railway from Gen. Chiang Hsueh-liang. Since that time he has had complete command of the Soviet army in the Far East and has organized the resistance against Japan in Siberia. There are many in Russia who regard him as the Russian Napoleon. At the 17th Party Congress he declared his conviction that war with Japan was on the way. Gen. Galen-Blucher is by nature immeasurably sure of himself, is possessed of most indomitable energy, clever, quick and is adored by his troops and the population in the Russian Far East. His activities in the Soviet and Chinese revolutions proved his ability as a strategist and an improviser on an enormous scale.

with whatever she might need in pushing her interests toward British India and Persia." In other words a Soviet-Japanese rapprochement "would serve as a check against the highhanded policy of Britain in the Far East and this, in turn, undoubtedly would usher in a period of better relations between Japan and China." Mr. Ishihara, in concluding his argument also brought Germany into the picture by suggesting that the ideal combination would be Japan-Russia-Germany against the United States, Britain, France and Italy.

Katsuji Inahara, president of the Foreign Affairs Association and editor of *Contemporary Japan*, followed a somewhat similar line of reasoning in a recent issue of the *Yomiuri* wherein he stated that Japan has no designs on the Soviet Maritime province. He said that suspicion of Japan's motive was responsible for the Soviet decision to defend her position in the Far East and also was largely responsible for the recent Soviet-French understanding. He declared there was no ground for a dispute between Japan and Russia and urged that the two nations cooperate in the Far East for their mutual benefit. The amicable conclusion of the negotiations for the transfer of the C. E. R. should, in his opinion, pave the way for fresh negotiations to settle the fishery dispute, the Saghalien oil controversy and various other problems concerned with the Manchukuo-Siberian border.

However, a more ominous note was struck by Chuzo Yoshimura, author of another recent book dealing with the present and future relations of Japan and the Soviet Union. He said that the Japanese advance into northern Manchuria had been responsible for Russia's decision to perfect its defense in the Far East, but with the passage of time Russia's "defensive preparations" had assumed "offensive proportions." "Who can assert that the defense of the Soviet in the Far East is solely for the sake of defense? It may safely be said that the military activities of the U. S. S. R. in the Far East are synonymous with the propagation of communism, although the two outwardly may appear to have nothing in common.... Therefore the question may logically be raised whether war is inevitable between Japan and the Soviet Union?" Elements which might be responsible for an outbreak of war, in Mr. Yoshimura's opinion, would be the unexpectedly complete breakup of the negotiations for the transfer of the C. E. R. and the continued growth of communism in China to a point where it would menace Japan's legitimate treaty rights and interests. But of most importance was a third factor, the continued development of Soviet military strength in the Far East to a point where it would upset the balance of power in the Far East in favor of the Soviets. Mr. Yoshimura elaborated on this point to the following effect: "It was in the latter part of 1932 that the Soviet Union began to perfect its military arrangements in the Far East. In the period of two years which since have elapsed, Russia's infantry has been increased from six to twelve divisions and the airforce from 100 to 600 planes, of which 20 percent are of the heavy bombing variety capable of making a return flight to Tokyo. Furthermore, it is reported there are as many as 20 Soviet submarines in Vladivostok harbor. If continued at the present rate the next two years will witness epochal progress in Soviet military schemes in the Far East and by that time the Trans-Siberian railway also will be reconstructed into a double-track system..... Frankly speaking, war will

JAPAN CHANGES GUIDES

From the Chicago Tribune

break out between Japan and Russia when the balance of military power between the two countries becomes decisively in favor of the U. S. S. R.

A few days ago the official Soviet *Tass* news agency circulated a dispatch from Moscow which told of the celebration of the fifteenth anniversary of the defeat of the Whiteguard troops under Admiral Kolchak. Quoting from *Pravda* the report declared, "The victory of the Red Army on the Eastern front, which in the summer of 1918 and first half of 1919 reached its, greatest menace, decided the fate of the proletarian dictatorship and returned to the Soviet Republic the industrial Urals region and rich Siberia. This victory prepared the ground for the liberation of Soviet Central Asia and the Soviet Far East. The Red Army signed the death sentence for the White chieftains, hirelings of Japanese imperialism and also for the Turkestan counter-revolutionary agents of the London Exchange The victory over Kolchak completed the Urals and Siberian epic of the civil war, organized under the leadership of Lenin and his comrade-in-arms, Stalin. Fifteen years have elapsed since that victory and the face of huge Siberia has entirely changed. Collective and state farms are occupying the beautiful and fertile Siberian plains, the riches of which are being extracted by the Soviet government. Industry has been created; four blast furnaces of the Stalin metallurgical plant are already at work and the number of mines is growing in the Kuznetz basin. Siberia is extending her metallurgical base and there is an extensive developing chemical industry. Siberia has become the gold vein of the U. S. S. R. Soviet Siberia is the immediate rear of the Soviet Far East. It is a powerful and invincible rear The lesson given to Kolchak and foreign intervention should be considered by those who are dreaming of establishing a 'frontier on the Urals' or of restoring capitalism in our country. The frontiers of the U. S. S. R. are sacred and all those who dare infringe them will meet the inglorious fate of Kolchak."

This dispatch, typical of Moscow pronouncements, indicates the unmistakable intention of the Russian leaders to defend and develop their Far Eastern territories; hence one is led to wonder just when the Japanese will decide that this development has reached a point where it constitutes a menace to Japan. On Jan. 11 the *Kokumin*, a leading Japanese newspaper, published a report alleging that a Soviet naval commander at Vladivostok had claimed that Russia could, with her small submarines, seize control of the Japan sea. The statement, allegedly, was issued following the recent Soviet combined land and sea maneuvers wherein it was demonstrated that the flotilla of small submarines based at Vladivostok had rendered as great a "defense" service as had the Soviet airplane corps, and, "in the event of hostilities we are confident of our ability to grasp hegemony of the Far Eastern sea."

Soviet development projects in Siberia and the Soviet Far East follow three distinct lines, industrial, cultural and military. But it is a mistake to say, as the Japanese do that Russian work in the Far East did not start until after the Japanese occupation of Manchuria in the fall of 1931. Soviet military defense preparations along the Siberian border actually began following the abortive attempt of Gen. Chang Hsueh-liang to seize the Chinese Eastern railway early in 1929. However, Gen. Blucher, commander of the Soviet army in the Far East did not receive much help from Moscow until after the Japanese occupation of Manchuria late in 1931. Previously, Gen. Blucher was merely instructed to do the best he could with available material in the field and this he did by organizing the border defense forces, a considerable portion of which was and still is "international" in that it contains large contingents of Korean, Chinese and Mongolian troops. It was the seizure of Manchuria, but particularly the advance of the Japanese Kwantung army into the old Russian sphere in north Manchuria in the winter of 1931 and Spring of 1932 that stimulated Moscow to action and caused War Minister Voroshiloff to visit the Siberian frontier for a personal inspection. This was followed by intensive activity and it was not long before Gen. Blucher had the men, materials and money for development projects which he long had urged upon Moscow as necessary if the Soviet eastern provinces were to be protected against invasion.

The number of troops, airplanes, pieces of artillery, tanks and other equipment along the Siberian frontier, and also the number of submarines, destroyers and torpedo boats in Vladivostok harbor, naturally are a military secret. But there is no secret about the determination of the Soviet leaders to defend every inch of their territory. Japanese statements that their extensive and expensive military activities in Manchuria have been taken for the purpose of "preserving the peace of Asia," are matched by constant Soviet statements that their activities on their side of the line are being taken likewise in the interest of peace. For example, Sumimov, chairman of the Council of People's Commissars, in an address before the Congress of Soviets a few days ago declared, "Toilers of our republic during this whole time have watched with particular attention our eastern frontier, where the cause of peace was subjected to serious trial on several occasions. In every case the U. S. S. R. through its firm and unswerving policy of peace attained peaceful solution of arising disputable questions. I think that our neighbors in the east understand that such a way of settling intricate disputable problems is not a result of the Soviets' weakness, but an expression of firm and persistent desire for peace on the part of our country. Our republic can remain calm concerning our eastern frontier not only because the foreign policy of the U. S. S. R. will also in the future be as firmly and persistently struggling for peace, as before, but also because the country is ready, I emphasize this, to beat off at any moment any possible attack from whichever direction it comes."

Space is not available for a description of Soviet industrial and cultural activities in the Far East, but both have kept pace with the military defense plans, the Soviets having profited immeas-

urably from their intense study and analysis of mistakes made in the *first* Russo-Japanese war. Previously the Russians had to rely solely upon their army, fighting 6,000 miles from the home base and depending upon supplies and reinforcements shipped over a poorly constructed and inefficiently operated single-track railway. This is now being remedied as rapidly as possible by double-tracking the Trans-Siberian and by matching the Japanese construction of strategic railways on the Manchurian side of the border with equally strategic lines and branches on the Russian side. When the Japanese began driving their new line over the Hingan mountains to Heiho on the Upper Amur, opposite Blagoveshchensk, the Russians redoubled their work on the double-tracking of the Trans-Siberian between Chita and Blagoveskchensk, working day and night shifts in Arctic temperature which under ordinary conditions would have forced a suspension of construction. One hears much Russian talk about "new defense measures," in the Far East, the meaning of which is not entirely clear, but what they have in mind probably is that they have placed their Far Eastern forces on a self-sufficient basis. By this is meant the development of industrial and agricultural supply bases, which, in the event of war would obviate the necessity of sending materials from European Russia to the Oriental front. The Soviet program of "arming and training the proletariat," as recently discussed in the *London Times*, is also rapidly creating an armed populace which they hope will obviate the necessity of a general mobilization in the event of war. Thus, should war break out on the Far Eastern front there would be little disturbance in European Russia and Moscow would only be concerned with the planning and financing of the campaign; at least that is the line of reasoning which one frequently hears discussed in Moscow circles.

Although it is impossible to give details about plans, the full extent of which are not know outside of innermost Kremlin circles, some idea of the scope, of Soviet development projects in the Far East is conveyed by the fact that expenditures in 1934 totalling 1,800,000,000 rubles are being increased this year to 2,500,000,000 rubles. Of the total expenditures in various lines, Siberia and the Far East are this year receiving 49 percent of the total appropriated for coal mining; 41 percent of the total expenditure on iron and steel development; 27 percent of the total budget for the machine-building industry; 71 percent of the total provided for the development of non-ferrous metals, and 34 percent of the total outlay for the chemical industry. V. Meshlauk, head of the State Planning Commission, recently stated that Asiatic Russia, that is, the Ural region, western and eastern Siberia, the Buryat-Mongolian region about Lake Baikal, and the Far Eastern or Amur-Maritime provinces, would receive 37.5 percent of all capital invested in national economy and 37.7 percent of all investments in heavy industry.

While most observers have placed a military complexion on this development, this is not an entirely correct explanation of the motives which have inspired the Russians to endure privations for a considerable number of years. There also is a desire, amounting almost to religious fanaticism, to modernize the country, industrially, agriculturally and culturally. This was well stated by Stalin when he declared, "Russia was beaten by the Mongolian Khans, the Turkish beys, the Polish-Lithuanian squires, the Anglo-French capitalists and the Japanese barons because our country was backward militarily, culturally, industrially, agriculturally and governmentally... Therefore we must no longer be backward we must not only produce cotton goods but the machines necessary for the production of cotton goods; we must not only produce automobiles but the machines for producing automobiles; we want not only to produce shoes, but the machines for producing shoes ..."

The head of the foreign trade department, in a recent article in *Za Industrialisatiu*, organ of the Commissariat of Heavy Industry, called attention to the fact that Soviet exports which in 1913 consisted of 71 percent raw materials, had now been almost entirely reversed as shown by the fact that 69 percent of exports in 1933 consisted of manufactured, or partly-manufactured goods. Continuing, he said that the U. S. S. R. is becoming a country capable of exporting means of production, "and is beginning to supply Oriental countries such as Turkey, Persia, Western China, Mongolia and other with technical equipment, as well as with technical aid."

This is an indication that the Soviet development program also has its peaceful objectives, for those interested in commercial and industrial expansion into foreign markets obviously do not want a war which would, in all probability spoil the whole program and again push the country back into the wilderness. But here again, Japanese imperialism may find cause for renewed complaint, because the Japanese military program for the control of Asia has definite background of industrialization and monopolization of Far Eastern markets. It is said that one of Japan's chief objectives in the occupation of Manchuria was to block the Soviets' plan for industrializing their Far Eastern territories under a system of "socialized economy" as opposed to private capitalism. But if this was the Japanese plan, it has completely failed, because instead of blocking the Russians it has stimulated them to *greatly* increased activity. And in the meantime the Japanese army leaders themselves are talking more and more of forcing the adoption of a system of "national socialism" in Japan in place of the present capitalistic system.

The number of troops, planes and military equipment which the Japanese Kwantung army now has in Manchuria also is a military secret, but according to current report in Tokyo the number of Japanese troops ranges from 80,000 to 100,000 and in addition there is the Manchukuo army, possibly of a hundred thousand more which the Japanese look upon as part of their defense force. The extent of Japan's military development in Manchuria since the original occupation

in 1931 has been so great that the heavy expense involved has caused serious apprehension in financial circles in the home country. Japanese army officers, in recent speeches and magazine articles, have declared that the borders of Manchukuo have become the actual borders of Imperial Japan from the standpoint of national defense. In view of the fact that this has produced a serious economic strain in Japan, and that a similar strain exists on the Russian side from the standpoint of offsetting the Japanese development, the result is the creation of a situation which might become critical at any time as a result of unexpected incidents.

What the outcome of this dramatic struggle along the Manchurian Siberian border will be no one can forecast, but one phase of the Soviet drive to modernize and civilize their Siberian wilderness is already becoming apparent. It is having the effect of restoring the balance of power on the continent of Asia which was unsettled when Russian power collapsed with the Czarist regime eighteen years ago. Whether the outcome will be peace or war depends primarily upon the common sense and statesmanship displayed on both sides of the line, but of almost equal importance, are the attitudes and activities of other nations which are also concerned directly or indirectly in the struggle. The three nations, outside of Russia and Japan which are concerned in this struggle are America, Britain—and China. China's role is of vital importance because her territories and peoples are directly involved. If the Chinese leaders have sufficient vision to unite their country politically and develop it industrially and make it strong militarily, the outcome may be on the side of peace, but if they follow an opposite course and permit their country to become torn by internal dissension and involved in the intrigues of the contending major actors in the drama the outcome may be a most disastrous war which will benefit nobody, and China least of all.

JAPAN'S DISBURSEMENTS IN PACIFIC AROUSE LEAGUE

ALTHOUGH Japan has on several occasions denied that she is spending any money on fortifying any of the mandated islands in the Pacific, a telegram from Geneva Jan. 19 stated that in view of the alleged fact that the sums spent by Japan on mandated islands in the Pacific included Yen 150,000 for a new pier at Saipan, Yen 215,000 for the construction of an anchorage in the harbor of Palau, and Yen 115,000 for an anchorage at Rota, in connection with which it was noted that there was considerable disproportion between the sums spent on the equipment of said ports as compared with the volume of commercial activity, the Mandates Commission in its report (which was adopted by the Council of the League of Nations on said date) asked that further particulars be given on the matter in the next report from Japan. On the same date a *Reuter* telegram from Washington stated that for an undisclosed reason three uninhabited islands in the Pacific had on that day been transferred to the U.S. Navy Department. The territories in question are all near Hawaii and are known as tne Wake, Kingham Reef and Johnson & Sand islands.

A *Rengo* message from Geneva pointed out that the report had completely avoided mentioning the expiration of Japan's membership in the League of Nations. Avoidance of the question of withdrawal was taken to mean that Japan's legal right to retain the mandate was not challenged in Geneva.

On the same date also the London *Daily Herald* in an editorial on Sino-Japanese relations declared tnat all evidence suggested that Japan is preparing a new move in her big play for domination of the Far East. "China" said the *Herald*, "is invited to think of Japan not as an enemy but as a protector against the 'white peril,' and is invited to contemplate the mystic and transcendental bonds of race and culture that unite the two countries. And at the same time, gas tanks and planes in Charhar warn her tnat it is dangerous to reject such wooing. The Chinese have been taught by facts and by the Geneva futility of 1932 that they can hope for no aid from the outside."

"Beyond much doubt," the paper concluded, "the time is drawing very near when the rulers, if not the people of China, will gracefully accept the protection of their imperious neighbor."

Appeal Verdict in "Sheng An" Piracy Case Set for Jan. 29

The verdict in the case of the five Europeans who appealed against the sentences imposed on them by the Dairen District Court fot the piracy of the s.s. *Sheng An* in Chinese waters in June, 1933, was to have been given Jan. 21, but at the last moment, it was announced that it would not be delivered until January 29. The accused are alleged to have seized the *Sheng An*, a Chinese cargo boat, on June 28, 1933, and to have murdered 10 persons aboard the vessel, including three Europeans.

Captain Hugo Taudien, the alleged ringleader of the gang, and Heinrich Westermann were sentenceed to death. Arthur Gautchi and Walter Muller were sentenced to life imprisonment and the fifth accused George Schroeder, to 10 years imprisonment.

Japanese Customs Official's Transfer Reported Discussed at Nanking

The reinstatement of Mr. Kishimoto, who was recently transferred to the post of chief of the Tientsin maritime customs, to his position as chief secretary of the inspectorate-general of the Chinese maritime customs, was believed to be the subject of conversations between Kanzo Horiuchi, first secretary of the Japanese legation at Nanking and Administrative Vice-Minister of Foreign Affairs, Tang Yu-yen, and the director of the political Affairs Department of the Executive Yuan, Peng Hsueh-pei, according a *Rengo* dispatch from Nanking Jan. 10 to the *Japan Chronicle*.

Japanese Say New Chinese Boycott Is Brewing

A *Nippon Dempo* dispatch from Shanghai dated Jan. 11 to the Japanese papers stated that a new boycott of Japanese goods has been started by a student's organization known as the Kueh Chiu Yuan. The Kuomintang was stated to be playing an important part in the movement. The Japanese alleged that the boycott is being directed from Nanking.

Japanese Relations Towards China Loom Prominently in Okada's and Hirota's Diet Speeches

"It is Japan's earnest hope that China will quickly re-establish stability within the country and share with Japan the grave responsibility of maintaining peace in the Orient."—*Extract from speech by Admiral Okada, Japanese Premier, at the opening session of the Diet in Tokyo, Jan. 22.*

"Japan most earnestly hopes that China will re-establish stability within her borders and, waking up to the actual situation in the Far East, will act in such a way as to meet our expectations. Japan, as a friendly neighbor, will render her the necessary assistance."—*Extract from speech by K. Hirota, Japanese Foreign Minister, at the opening session of the Diet in Tokyo, Jan. 22.*

THE opening session of the Japanese Diet took place in Tokyo, Jan. 22. Admiral Okada, the Premier, and Mr. Hirota, the Foreign Minister, made long speeches covering a wide variety of subjects, but the essential part of their remarks is contained in the two paragraphs in black type just above. There was much talk of the improving relations with the United States, with Manchuria, with China; throughout there was the theme that Japan sought friendship with all Powers. But behind all these affirmations

This cartoon, reproduced from the *Philadelphia Inquirer*, was entitled "A New Naval Ratio—2 to 1."

there shone out the implied hint that said friendship with all powers and particularly the continuance of peace in the Far East all depended on the other powers, one and all, and particularly China, recognizing the fact that so far as the Far East is concerned Japan was going to say what's what—and, if any other power, and particularly China, couldn't see it that way, well there was going to be trouble. Japan's orientation at the present time is similar in nature to that which guided her in the presentation of the infamous XXI demands upon China during the years of the World War. The presentation of the demands coincided with the period when the fortunes of the Allies hung in the balance. The Japanese at that time thought that Germany was going to win. They therefore used that opportune moment to play their cards to gain overlordship in China. Subsequent events, and particularly the firmness of the United States under the able statesmanship of Charles Evan Hughes, then Secretary of State and now Chief Justice, induced Japan to recede to a considerable degree from the stand she had taken.

Thus matters stood until the autum of 1931 when the financial situation in England became such that the country found it expedient to go off the gold standard. At the same time the commercial crisis in America was also becoming accentuated. Thus Japan once more saw her chance to strike, and she did so efficiently and dramatically. It is quite evident that no mere Washington Conference is going to stop her this time. Whether any effective action of any other kind will be taken some time in the future only time can tell. But for the present Japan feels that she holds the trump cards in the Far East and her confidence in her superior position is well reflected in the speeches made by the Premier and the Foreign Minister at the Diet session January 22.

Premier Okada in the course of his speech said Japan's relations with Manchukuo were "excellent." He reviewed the measures which are being taken to increase the cooperation between th two nations. He disposed of the London naval parleys by saying that Japan's attitude towards the naval conference was the same as that explained during the last session of the Diet. Regarding Japan's position in the Far East Premier Okada said:

> "The position of Japan in the Far East is now well recognized and the friendly relations with the other powers are improving. The Government is making efforts to maintain cordial relations with all the foreign Powers."

The Premier went on to point out that, in the matter of the sale of the Chinese Eastern Railway to Manchukuo, the Japanese Government has merely been acting as mediator between the newly-formed empire and Soviet Russia. He

mentioned that the appropriations for the Manchurian Incident expenditures and the expenditure for the relief of the calamity-stricken areas also claimed a considerable amount of funds, and under such circumstances it was necessary to make drastic retrenchment in *other* directions.

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Foreign Minister Hirota in his speech said relations with the foreign powers are improving; the fundamental principle of the Japanese Government's foreign policy is to maintain friendly relations with every foreign state. He mentioned that as Japan found that the Washington Naval Treaty was inconsistent with the principle of general reduction of armaments, she had abrogated the treaty, but that did not mean that Japan had any intention of enlarging armaments. Mr. Hirota added that relations with the United States are, in view of the fact that both countries are inter-dependent in many respects, very friendly and there are no causes, he said, which might lead to clashes between the two countries. Mr. Hirota went on to declare that there will be no change in the policy of non-aggression concerning dealings with Russia.

"As for China," the Foreign Minister declared, "we most earnestly hope that she will re-establish stability within the country and, waking up to the actual situation of the Far East, will act in such a way as to meet our expectations."

The Premier confirmed previous announcements that an Investigation Commission, the highest organ for the formulation of the policy of the government, would be established from the start of the next fiscal year. He said he expected that it would make important contribution to the reform and an improvement of the administrative methods.

One of the most important of Minister Hirota's statements was the following:

"It is to be regretted that in certain localities of China, anti-Japanese agitation has not yet been completely brought to end. Japan attaches great importance to her friendship with other states in east Asia and counts on their participation in bearing the serious responsibilities for the maintenance of peace and order in this part of the world. I fervently hope, therefore, not only that China will soon recover her stability but that she will awake to the realization of the whole situation of east Asia and undertake to meet the genuine aspirations of our country."

Tokyo Denies that Mr. Hirota Is to Visit China

Several rumors which had gained wide currency in the previous fortnight were flatly denied in Tokyo, Jan 21, by a spokesman of the Foreign Office when questioned on the subject by foreign correspondents. The first rumor to be denied was that proclaiming the alleged intention of Koki Hirota, Japanese Foreign Minister, to visit China. Next the spokesman denied that the Japanese Legation was being transferred from Peiping to Nanking, but admitted that the staff of the Japanese Consulate at Nanking was being increased on account of pressure of business. He said there was no truth in the report that Mr. Ariyoshi, Japanese Minister to China, was retiring. He emphasized that the envoy had never applied to Tokyo for permission to retire.

MR. HIROTA'S NEW CHINA POLICY

The keynote of Mr. Hirota's new China policy is, according to the *Osaka Jiji*, to help China to maintain her national pride as an independent State, and to act in close unison with Japan for the promotion of peace in the Far East. It will be based on the following considerations:—

1.—The Powers have hitherto invariably urged the Open Door or equal opportunity in China, a fact which points to the conclusion that they regard China as a virtual colony for the investment of their capital.

2.—It is, therefore, up to China to resist strongly the guiding spirit of the antiquated China policies of the Powers, born of the old treaties and other instruments.

3.—Japan, for one, must frame her new policy in an entirely different spirit, so that China's true position as a big Power in the Far East may be recognized and China's independence and selfregard respected.

4.—Once this fundamental policy is adopted, with China's approval, Japan should endeavor to help China, politically and economically, in the realization of her foreign policy.

5.—For the consummation of this object, Mr. Hirota, the Foreign Minister, is prepared to visit China, after Japan's formal withdrawal from the League of Nations, the conclusion of the negotiations for the transfer of the Chinese Eastern Railway, and the close of the Disarmament Conference, to conduct personal negotiations with the leaders of the Nanking Government.

Russo-Japanese Relations to Be Discussed When Mr. Ohta Returns

Negotiations on various issues affecting Russo-Japanese relations will be conducted between Mr. Ohta, Japanese Ambassador to Moscow, and the Soviet Government, on Mr. Ohta's return to his post from a furlough, it was revealed in Tokyo, January, 17. The issues to be discussed, it is reported, will include the revision of the Soviet-Japanese Fishing Treaty, the establishment of a Soviet-Manchukuo-Japan border commission, and the question of oil concessions in North Saghalien.

Meanwhile, the Japanese Government, in collaboration with commercial circles concerned, is completing the preparations for the negotiations. Early this month all of the fishing concerns operating in Kamchatka were merged into a Yen 8,000,000 firm, controlled, according to unofficial reports, by the Ministry of Agriculture. The oil concerns operating under license in North Saghalien have been given official encouragement, according to the same reports, to abandon temporarily production in favor of prospecting, prior to the Soviet-Japanese negotiations on Saghalien oil.

French Financiers Enroute to Japan

Headed by M. Fouberes, President of the Societe Nationale d'Expanion Economique, a group of French financiers departed from Paris Dec. 20 for Tokyo to negotiate with Japanese financiers on Franco-Japanese investment in Manchukuo. It is understood by *Rengo* that a proposal to establish a joint Franco-Japanese industrial enterprise, financed by the South Manchuria Railway Company and French interests, will be discussed upon the arrival of the mission in Japan.

Yen 3,000,000,000 Budget Is Urged by Shiunso in Advertisement

The Shiunso, an organization which from time to time issues a statement on foreign and domestic issues in large advertisements in the Japanese press, in a four-column advertisement in the Tokyo *Jiji* Jan. 17 urged that Japan should go ahead with an active policy expanding the Budget to the extent of Yen 3,000,000,000. The organization reproduces a table showing the budgets of the Powers and points out that Japan's budget is very small. In concluding the lengthy statement the Shiunso said: "At least in financial administration creative Kodo (Imperial Way) finance should be adopted with absolute consistency, and an effort be made, we believe, to bring about a period in which the annual expenditures of the State reach Yen 3,000,000,000."

Japan-German Amity Is Stressed by Dr. Wilhelm Solf

The former German Ambassador to Japan, Dr. Wilhelm Solf, published a lengthy article in the Berliner *Tageblatt* of December 23, in which he stressed the importance of understanding and appreciating Japan's position in the Far East in order for Germany to have an effective share in the economic and cultural development of the Orient. The article reviewed in a sympathetic manner the course of events following the outbreak of the Manchuria incident. Dr. Solf condemns the charge that the Japanese policy is imperialistic, saying that Japan's development in the Far East is in the natural course of events. The article among other things stated: "Toward the latter half of the 19th century, Japan was compelled to choose one of two alternatives: to become a colony of one of the powerful European nations, or to fight its way through to national independence. Japan courageously choose the latter alternative. The first ob-

stacle she encountered in this course of action was the Chinese opposition, which resulted in the Sino-Japanese war. Then there followed the Russo-Japanese war and the Manchurian incident.

"With a small area and a vast population, the problem of maintaining independence and of assuring progress was a difficult one for Japan to solve. Japan desires cooperation with China and has no antipathy against the Chinese. On the contrary, the Japanese respect China and the Chinese, for their early culture. The Chinese, on the contrary, especially those who were educated in the United States, hold strong animosity against Japan and the Japanese, and are stirring up trouble between the two countries. One can say that Japan was compelled to expand the field of her overseas trade to Europe because of the boycott on Japanese goods by the Chinese. The Japanese consider the naval question in connection with the Chinese situation. As long as the Japanese navy is weaker than that of the United States and she is under the menace of American attack, the Chinese will never stop their anti-Japanese agitation. Japan's insistence on naval parity has its motive in her wish for peaceful and friendly relations with China."

1000,000 Japanese Show Up a Training Camps

100,000 young Japanese of the Class of 35 conscripts reported to various barracks throughout the country Jan. 20 for the purpose of beginning their regular period of military training. It was stated that one family sent its sixth son, the eldest brother having entered the army 17 years ago. He is still in the service, holding a commissioned officer's rank.

Machida Accepts Minseito Presidency

The Minseito, the second largest party in Japan, January 18 ended its eight-week interregnum, as Chuji Machida, Minister of Commerce and Industry, agreed to accept the presidency of the party. Mr. Machida's decision directly followed a visit by Baron Wakatsuki, Mr. Machida's predecessor as the President of the Minseito.

Baron Wakatsuki, who twice served as Premier, resigned his party post in November, 1934, pleading that he could not combine his position as an Elder Statesman, consulted by the Emperor, with a partisan work in the Minseito.

Okada Pledges to Respect Party System

A pledge to respect the party system was given January 19 by Premier Keisuke Okada to the Presidents of Japan's three largest political parties. The Premier gave his pledge at a conference attended by Dr. Suzuki, President of the Seyukai, the majority party, Chuji Machida, and Kenzo Adachi, head of the Kokumin Domei party. Korekiyo Takahashi, Finance Minister, and Takejiro Tokonami, Minister of Communications, were present at the meeting, which lasted for an hour and a half.

Japanese Diplomat Criticizes "Open Door" Policy

The principle of the Open Door policy in China was attacked bo Nobutmi Ito, the Japanese Minister to Poland, in a course of a lecture on special impairments of international law in the Far East, delivered at the Association of Warsaw Lawyers, beginning of January. While alluding to various systems practised in China, the Minister declared himself a partisan of the principle of zones of influence, which he preferred to the Open Door doctrine proclaimed by the United States. The Minister added in conclusion that the evolution of the Far East will necessarily bring about in China the abrogation of special rules, of which Japan has already freed herself.

Spy Charge Levelled Against Old Missionary in Korea

Charges of having taken photographs of a fortified zone and sending copies to London headquarters, have been made against the septuagenarian, Dr. James Mackenzie, who is an Australian and Presbyterian missionary doctor in Fusan.

China Intends to Denounce C.E.R. Sale

A message from Nanking Jan. 23 stated that the Ministry of Foreign Affairs will issue a statement declaring null and void any agreement concluded between the Japanese, "Manchukuo" and the U.S.S.R. governing the sale of the Chinese Eastern Railway as soon as reports of such an agreement are confirmed. The attention of the parties concerned in the "illegal" deal will be directed to the Sino-Soviet Agreement of 1924 which stipulates that affairs of the C.E.R. can be decided upon by China and Soviet Russia only and that no intervention by any third party is to be countenanced.

Agreement for Sale of C.E.R. Is Reached

An agreement on the terms for the sale of the North Manchuria (Chinese Eastern) Railway was reached at Tokyo Jan. 22 between Japanese and Soviet representatives, thus bringing to a close 18-months' acrimonious negotiations. The text of the final agreement will be drafted later. According to sources close to the Japanese Foreign Office, it will not be in the form of a treaty, so as to avoid all appearances of Soviet recognition of the Manchukuo Government.

The terms of the Agreement were officially announced to be as follow:

1. The final price for the N. M. R. is set at Yen 140,-000,000, a third of which will be paid in cash, and two thirds in kind. The payments will be made semi-yearly, and completed within three years. A half of the cash consideration, or Yen 23,330,000, will be paid at the time the formal agreement is signed. The remaining sum will be paid out in six semi-annual installments, with the interest fixed at three per cent per annum.

A "gold clause" based on the Swiss franc is to be inserted in the final agreement, guarding against fluctuations in the yen exchange rate.

2. The payment in kind will also be completed in six semi-annual instalments. The prices of the goods will be determined by a committee consisting of Soviet commercial officials, and Japanese and Manchukuo merchants.

All disputes on the prices of commodities will be referred to a special arbitration committee, comprising two Soviet, one Japanese and one Manchukuo officials.

3. The Japanese Government will officially guarantee Manchukuo's full payment of the cash and commodity price without delay.

4. Soviet employees of the C.E.R., whose number is estimated at slightly more than 6,000 will leave their posts on three months' notice, with an additional two month's grace. The Manchukuo Government will be responsible for the payment of retirement allowances.

5. All the rights and properties of the C.E.R., including factories, power plants, lumber concessions, affiliated enterprises and buildings, are to pass to Manchukuo simultaneously with the formal signing of the transfer agreement.

These terms, according to hign Japanese Foreign Office circles, represent a number of important concessions on the part of the Soviet Government. The most important of these was the withdrawal of the demand to refer all disagreements as to the prices of goods to the International Court of Arbitration at The Hague.

The Soviet Government also gave up its contention that it owned the sites along the railway at present occupied by the Soviet Consulates. The final agreement stipulates that the sites are given in free lease to the Soviet Government so long as they are used for consular purposes.

The demand for a full and immediate payment of the retirement allowances was dropped by the Soviet authorities in favor of the Japanese proposal to pay out the employee reserve funds at the time of the retirement, with the remainder of the allowance to be paid in four semi-annual instalments.

Manchukuo will raise the necessary funds for the purchase of the railway by means of a loan under-written by a Japanese banking consortium.

The money is to be lent immediately after official signature of the agreement. The amount reported to be involved in the first transfer of funds is Yen 30,000,000, or which Yen 7,000,000 is to be used for retirement allowances, and the remainder for the first cash payment.

Railway property and income will be offered as collateral for the loan, the biggest ever undertaken by Japanese banks for a foreign government.

It is learned from reliable sources that, after its transfer to Manchukuo, the C.E.R. will be handed over to the South Manchuria Railway Co. for management and operation. At present, the S.M.R. operates all of Manchukuo's state-owned railways. Circles close to the Government anticipate that, prior to the step, the S.M.R. will be reorganized, with a view to limiting its activitles to railway operation.

Britain May Invest in C.E.R. Line After Transfer

The *Osaka Mainichi* understands that a British investment will be made in the North Manchuria (C.E.R.) Railway when the negotiations for the transfer of the railway are successfully concluded. Julian Ito Piggott, manager of the British Steel Export Association, who was a member of the British economic mission to Japan and Manchukuo, and who stayed in Manchukuó for some time after the departure of the mission for home, concluded a contract with the S.M.R. authorities to supply steel materials, and it is reported that the supply of materials will take the form of an investment in Manchukuo or in the S.M.R. Company.

Japanese Launch Furious Attack on Chahar; Kweichow Forces Retake Tsungyi from Reds

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Serious Fighting in Progress in East Chahar Between Japanese and Chinese Troops**
2. **Japan to Offer China "Non-Aggression Pact"**
3. **"Third Party" P. O. at Shanhaikwan Bombed**
4. **Long Land Dispute With Catholic Mission in Shensi Settled**
5. **Decisive Battle With Communists Due in Kweichow**
6. **Kweichow Army Commander Reported Missing**
7. **Yunnan Forces Join in Anti-Red Campaign in Kweichow**
8. **General Chiang Kai-shek Voices Hopes for 1935 in Speech**
9. **New Import Tariff to Be Enforced on March 1**

Sino-Japanese hostilities in east Chahar broke out early in the morning of Jan. 23, when a force of Japanese infantry launched a fierce attack on Tushihkow, according to urgent reports received at Peiping by General Sung Cheh-yuan from Kalgan. Fierce fighting is still going on late in the afternoon in districts 10 miles from Kuyuan where stiff resistance is being offered by the Chinese army, which sustained heavy casualties under the bombing of five Japanese planes and heavy artillery fire from more than 20 Japanese armored cars.

Accompanied by armored-cars, a force of 3,000 Japanese and "Manchukuo" troops crossed through Changliang late the previous night and opened an offensive against Chinese troops, despite the settlement of the recent dispute over the control of three villages along the Chahar-Jehol border being concluded in Peiping. More Japanese troops are now being rushed from Jehol to the Chahar border.

According to further reports, the fighting started at 6 p.m. Jan. 22, when an unprovoked attack was launched by a combined Japanese-Manchukuo force on Chinese troops withdrawing from the strip of territory which the Kwantung Army claims as part of Jehol province. A simultaneous attack, it is stated, was made by a force consisting of 1,000 Japanese and 1,000 Manchukuo troops, equipped with armored cars and 20 field-guns; on Tushihkow, Kuyuan, and Tungshatze.

The Chinese forces at Kuyuan and Tushihkow resisted and the fighting died down until 10 o'clock this morning, when seven Japanese aeroplaees flew over and dropped a number of bombs on Tushihkow. Shortly afterwards, the attackers brought their artillery into action and commenced shelling Tushihkow. At noon Jan. 23 four Japanese military aeroplanes flew over Kuyuan, but they did not drop any bombs. Fighting was still in progress at Kuyuan and Tushihkow at 4 p.m. Jan. 23.

A summary of the happenings since Jan. 18 follows:—

The Japanese Kwantung Army Headquarters officially announced Jan. 18 that the army corps and a part of the air force stationed in Jehol will be used to drive out the Chinese troops under General Sung Che-yuan. A spokesman for the Kwantung Army declared Tatan, near the Jehol border and some 20 kilometers east of Kuyuan (Chahar) has been under Manchukuo jurisdiction until the latter part of 1934, when General Sung occupied the territory with a large force, and drove out the Manchukuo prefectural administration.

"Serious consequences" may arise in Jehol, if General Sung Che-yuan ignores the warning contained in the statement issued by the Kwantung Army on Jan. 18. This was the comment made by a spokesman for the Japanese War Office when asked for a statement on the situation on the western borders of Jehol, according to a *Rengo* report from Tokyo.

Japanese infantry detachments garrisoned in Chengteh left there Jan. 18 far Tanin and Takochin, in the western part of the province. A large number of Japanese military aerplanes have been concentrated near Chengteh. Official Japanese sources at Peiping state that they believe action will be localized. Takochin is about 110 kilometres northwest of Chengteh and 80 kilometres due north of Kupeikow.

General Sung Che-yuan was officially advised January 19, by Lieut.—Colonel Tan Takahashi, Japanese Military Attache in Peiping, to withdraw his troops from Jehol. Lieut.—Col. Takahashi informed Gen. Sung that "the Great Wall has been accepted by the world as the boundary between China nad Manchoukuo, and the continued presence of your troops on Manchoukuo territory is jeopardising the Japan-Manchoukuo China relations." The Military Attache's statement also revealed that Gen. Sung has been repeatedly warned to withdraw his troops from Jehol by Lieut.—Colonel Matsui, resident officer stationed in Kalgan.

The Tokyo Foreign Office said Jan. 18, that it had not received any official information that Charhar troops, commanded by Gen. Sung Cheh-yuan, had invaded Jehol. The opinion was expressed that the importance of the situation had been exaggerated in Mukden reports, which view was supported by the War Office, on the ground that Gen. Sung's forces are composed of irregulars who had agreed to withdraw. In the event of non-compliance with this agreement, it was said at the War Office, the Chahar troops easily could be expelled by force.

Statement reassuring the world that Japan has no intention of trespassing upon Chinese territory is being prepared by General Minami, commander-in-chief of the Kwantung Army, governor-general of the Kwantung Leased Territory and ambassador to "Manchukuo."

General Minami, in an interview at Dairen Jen. 21 emphasized that the Japanese Army will not be used to interfere in the internal affairs of North China. The present dispute in the vicinity of the Great Wall centers on a strip of territory which China claims as part of Charhar Province and Japan as part of Jehol, which was incorporated in "Manchukuo."

The report from Tokyo that Japanese troops in western Jehol are concentrating for the purpose of attacking the troops of Gen. Sung Cheh-yuan is difficult to understand, as no Chinese troops have entered Jehol province. A spokesman of the Peiping Military Council declared Jan. 18 that there is not a single Chinese soldier on the Great Wall, let alone in Jehol province.

In connectien with the press reports that the Japanese forces in Jehol are moving westward and planning to make a new drive into Chahar, the Ministry of Foreign Affairs has telegraphed to the Chahar Provincial Government, ordering that an investigation be immediately carried out and a report on the actual situation there submitted to the Ministry for information. Officials of the Ministry are reticent on the situation, neither denying nor confirming the press reports.

Interviewed on the situation in eastern Chahar, a spokesman of the Chahar Provincial Government said that the military activities of the combined Japanese and "Manchukuo" troops in the Changliang-Wuminho sector, eastern Chahar, were totally unexpected by the Chahar authorities. It is clearly recorded in Chinese and foreign maps that Changliang, Wuminho, Peishihchutzu, Nanshihchutzu, Yunganpao and Ssutengkow form part of the district of Kuyuan, eastern Chahar, he asserted. No regular troops have been stationed at the above-mentioned regions, as peace and order have hitherto been maintained by the militia units.

In view of the tense situation in Chahar, General Sung Cheh-yuan has sent General Chin Teh-chun back to Chahar to cope with the situation, while he still remains in Peiping for further conferences with General Ho Ying-chin, chairman of the Peiping Branch Military Affairs Commission. Interviewed by press representatives, General Sung declared that a minor clash between the

Chahar troops and the "Manchukuo" irregulars took place on January 16 in the vicinity of Changliang near Kuyuan in Eastern Chahar with the result that the invaders were repulsed.

Telegraphic reports from the front state that the Japanese forces from Chengteh, provincial capital of Jehol, have concentrated at Fengning, Western Jehol, their vanguards having reached Taran on the Chahar-Jehol border. The invading forces are composed of 3,000 "Manchukuo" troops under Chang Hai-peng and 1,000 Japanese soldiers.

The *Shun Pao* reported to the effect that truckloads of troops and military supplies are leaving Chihfeng and Hsifengkou for Dolonor. The Manchukuo garrison at Dolonor has left for Kuyuan to patrol the second and fourth districts.

In connection with the Charhar situation the *Sin Wen Pao* publishes the following interview given by General Sung Cheh-yuan:

"Chahar is rich in mineral resources and an extremely fertile province. The provincial authorities have decided to establish 20 new model villages, each with 50 residences. Each residence will have three up-to-date and sanitary rooms.

"This plan calls for $200,000. Most of the people in CShahar have no permanent place to live. Wherever there is a chance to make money they move from one place to another. This plan is to let the people have some definite place to stay.

"The population of Chahar is 2,000,000. The annual income of the government is not more than $3,000,000.

"Special schools will be established, where young men and women will be taught animal husbandry and new ways of farming."

JAPAN TO OFFER CHINA NON-AGGRESSION PACT

Japan's readiness to conclude a non-aggression pact with China is expected to be the most important feature of the speech on foreign policies to be delivered before the Diet by Koki Hirota, Japanese Foreign Minister.

'THIRD-FARTY' P. O. IN SHANHAIKWAN BOMBED

Two window panes were smashed and other minor damage inflicted on the building housing the Waytungchunchengkyu, the "third-party" post office here, by a bomb thrown against its walls in the morning of Jan. 18. None of the employees were injured. The "third-party" post office was established there January 10 when mail communications between "Manchukuo" and China were resumed.

ANHWEI PUBLIC BODIES OPPOFE JAPANESE WHARF AT WUHU

Vigorous opposition has been voiced by the various public bodies in Anhwei against the attempt of the Japnnese N. K. K. Steamship Company to build a wharf at Wuhu. The Anhwei public bodies, in their telegrams to the National Government, state that the Japanese Company is planning to spend a sum of $150,000 for the purchase of a large tract of land along the River front at Wuhu and construct a wharf there. In view of the strategic importance of Wuhu and its proximity to the National Capital, they point out, such a wharf, if allowed to be built, would almost amount to a fortress to invaders to facilitate their aggression. In order to maintain China's sovereign rights and preserve her territorial integrity, they urge that the Japanese request, if formally made to the Government, should be unconditionally rejected.

A fierce battle has been started between the Peace Preservation Corps and the people's militia near Yutien and was still going on late in the afternoon of Jan. 17.

Lingnanchang, a town near Yutien, has been badly damaged by fire, and heavy casualties have been inflicted on both parties. According to reports, the clash was caused by a recent dispute between the two parties arising from the missing and subsequent death of a Japanese resident in Luantung. Charged by the Peace Preservation Corps with having slain the Japanese resident, Wang Ping-shou, head of the people's militia, was arrested by the Japanese troops in Tangshan but was later released. To have his revenge, Wang ordered an attack on the Peace Preservation Corps.

LONG LAND DISPUTE WITH CATHOLIC MISSION IN SHENSI SETTLED

After protracted negotiations, the dispute over the piece of land occupied by the Catholic Mission at Tingpien, Anpienpao and Tsingpien, northern Shensi, near the Shensi-Suiyuan border, has been amicably settled at Peiping between Cheng Hsi-keng, Special Commissioner of Foreign Affairs for the provinces of Hopei, Shansi, Charhar and Suiyuan, and a representative of the Shensi Provincial Government on the one hand: and Rt. Rev. Mgr. G. Schotte, vicar-apostolic of Ninghsia on the other. In was agreed that all structures on the land and the missionary estate be purchased by the Chinese side.

General Ho Ying-chin, Minister of War and concurrently Acting Chairman of the Peiping Branch of the Military Affairs Commission, arrived at Peiping from Taiyuan at 7.25 a.m. Jan. 17 to resume his duties there.

The salt revenue collected in the Changlu Salt District totalled $22,560,000 last year, showing an increase of $2,970,000 over the collection in the preceding year.

The National Economic Council has promised a remittance of $200,000 for the conservancy of the Yellow River in Shantung and another sum of $900,000 towards the dredging of the Siaoching Ho (River), in northern Shantung.

PART OF HUANG MU-SUNG'S PARTY RETURNING

A group of 27 secretaries and attendants of General Huang Mu-sung, Special Commissioner to Tibet, arrived at Shanghai Jan. 23 from Calcutta, India. A message from Hongkong states that the party left for Shanghai Jan. 17. General Huang is on a visit to Nepal, and will return to Nanking next month.

COMMUNICATIONS MINISTRY TO IMPROVE POSTAL SERVICE IN TIBET

The Ministry of Communications is considering measures for the improvement of the postal service in Tibet. At present, it is learned, there are only about 1,000 kilometers of postal way in Tibet. Owing to lack of railway and motor road there, mail traffic is largely done on horse back and it requires at least a week's time to complete a journey to 1,000 li, (about 330 miles). For the transmission of official dispatches, swift messengers have to be employed. Postage stamps in Tibet are printed in three colors, namely, green, blue and pink. On the stamps are engraved the sun, the moon, a lion, the last being the national ensign of Tibet.

General Sheng Shih-tsai, Defence Commissioner for the Sinkiang Border, in a telegram to the Central authorities, requests that Dr. W. W. Yen, Ambassador to Moscow, be invited to pay a visit to Sinkiang upon his return to Russia.

In order to cope with increasing traffic, the Lung-Hai Railway Administration has ordered the completion by April of all construction work in the stations on the western extension between Tungkwan, on the Shensi-Honan border, and Sian, provincial capital of Shensi, and in the new port of Lienyunkang, the eastern terminus in north-eastern Kiangsu.

Construction work on the Ninghsia-Paotow (Suiyuan) Highway project has now proceeded as far as the territory of the Ordos (Yeghe Jo) League in Mongolia from Ninghsia city, a distance of over 200 li (about 70 miles). With the cooperation of the authorities of the Ordos League, work will be pushed forward to the Suiyuan border. This section is expected to be completed rapidly as most of the way is level land.

With regard to the project for extension of the Lung-Hai Railway to Lanchow, provincial capital of Kansu, from Sian, Shensi, the Ministry of Railways has allotted a sum of $250,000 for the purchase of an airplane to make aerial surveys.

A plan of the Eurasia Aviation Corporation for the institution of an Europe-Asia Inter-Continental Airway between Berlin and Shanghai has been approved by the Ministry of Communications. When the German Government approves the proposal, a test flight will be made next month. An airplane will start from Berlin and take the route of Greece and India to Shanghai. It is estimated that the entire journey, covering a distance of over 14,000 kilometers, will be done in 53 hours. If the test fight proves satisfactory, air service will be started in March.

DECISIVE BATTLE WITH REDS DUE IN KWEICHOW

A decisive battle between the Reds and the Government forces is impending in Kweichow as Government troops pour into the province from various directions in joint pursuit of the migrating communists. Meanwhile, the Hunan armies are crossing the Wukiang river and Kwangsi troops are advancing from Tuchun to pursue the Reds who are heading for Szechuan by way of Chishuan, on the Kweichow-Szechuan border.

Tsunyi, the gateway to northern Kweichow about 100 miles north of Kweiyang, provincial capital of Kweichow, was recovered by the Kweichow Division under Lieut.-General Po Hiu-chang Jan. 20. Before capturing Tsungyi, the division defeated the remnant "Reds" under Chu Te and Mao Tse-tung in northern Kweichow, occupying Topashui, 70 miles north of Kweiyang on the southern bank of the Wu Kiang (River), on the 16th and Lanpanteng and Huangnipao on the 18th. Units of the division have now advanced to Ninutitang, 10 miles north-west of Tsunyi. 1,500 outlaws were killed at the battle of Tsunyi alone.

KWEICHOW COMMANDER MISSING

Considerable concern is being felt over the safety of General Wang Chih-lieh, Chairman of the Kweichow Provincial Government. General Wang recently left Kweiyang, ostensibly to inspect troops fighting against the Communists at Kikiang, near the Kweichow-Szechuan border. He however, according to unconfirmable reports, never arrived at Kikiang and has not been heard from since leaving Kweiyang.

The defence of Kweiyang, provincial capital of Kweichow, has now been considerably strengthened as the Communist-suppression Armies of the various provinces are converging on the city, according to a telegram received at Canton Jan. 18 from the Kweiyang Military Headquarters.

The main force of the Communists under Peng Te-huai in Kweichow is now concentrated at Kwantuchang, near the Szechwan border. The Reds are attempting to effect a junction with their comrades in Szechuan, but have so far been frustrated in their attempt. On January 12 and 13, three Red Army Corps, under the personal command of Peng, made furious attacks on the Szechwan troops in the valley of Chikiang (River) in extreme southern Szechuan in an effort to cross the river. The latter offered strong resistence and the Red advance was finally repulsed with heavy causalties.

Mobilization of three picked Yunnan brigades for Pichieh, north-western Kweichow, has been completed in accordance with the instructions of the Central authorities. The brigades will assist the Central Government Pursuit Forces and the Kweichow and Szechuan Provincial forces in the operations against the "Reds" on the Kweichow-Szechuan border. Proclamations announcing the approach of the Yunnan troops have been posted on the walls of various cities and towns near the Yunnan-Kweichow border.

An appeal has been made by the Kweichow Provincial Government, to the Central Government for the establishment of a branch of the Central Bank of China in Kweiyang, provincial capital of Kweichow, in order to regulate the currency there.

The three neighboring Provincial Governments of Kwangtung, Kwangsi and Hunan have also been requested by the Kweichow Provincial Government to open exchange offices in Kweiyang to facilitate the exchange of the banknotes used by the military units of those provinces which are now participating in the bandit-suppression campaign in northern Kweichow.

In telegrams to the Central authorities and the Military Affairs Commission, General Chen Chi-tang, Commander of the Kwangtung Provincial Forces, reports that the Kwangtung Pursuit Forces have been placed under the command and direction of General Li Tsung-jen, Commander of the Kwangsi Provincial Forces. These units are proceeding to Kweichow to assist in the suppression of the "Red" outlaws in Kweichow. General Chen also reports the reduction of the military expenses of Kwangtung province by $300,000 monthly.

ENVELOPING MOVEMENT PLANNED AGAINST REDS

At the recent military conference summoned by General Ho Kuo-kwang, leader of the Nanchang Staff Corps and attended by General Liu Hsiang and other leading Szechwan military leaders, it is understood that a plan has been decided upon to envelop the remnant Reds under Chu Te and Mao Tse-tung in northern Kweichow. According to the plan, the Central Government troops and the provincial forces of Szechwan, Kweichow, Hunan and Yunnan will all join in the enveloping movement. It is expected that a decisive battle will be fought in northern Kweichow which will finally decide the fate of the Reds there. Meanwhile, the conference has also decided on measures to campaign against the Reds in Szechwan under Ho Lung and to confine them in their present positions in order to prevent them from joining their comrades in the neighboring province.

KWEICHOW COMMANDER DETAINED FOR NEGLECT OF DUTY

Strictly enforcing the measures governing reward and punishment for the bandit-suppression forces, the General Staff Corps of the Provisional Headquarters of the President of the Military Affairs Commission, headed by General Ho Kuo-kwang, has placed General Hou Chih-tan, Vice-Commander of the 25th (Kweichow) Army, under detention for neglect of duty. General Hou came to Chungking from Sungkan, northern Kweichow, on the 16th inst. to receive instructions from General Ho and General Liu Hsiang. General Hou is blamed for allowing the "Reds" under Chu Te and Mao Tse-tung to cross the Wu Kiang (River), and for the loss of several important cities in northern Kweichow. Ho is also charged with leaving his garrison post without orders and causing delay in the military operations.

General Chiang Kai-shek has telegraphed approval of the detention of General Hou Chih-tan, Vice-Commander of the 25th (Kweichow) Army, whose negligence made it possible for the "Reds" under Chu Te and Mao Tse-tung to cross the Wu Kiang (River). General Chiang ordered that the delinquent commander be severely dealt with as a warning to others.

A circular order enjoining the various district magistrates of Szechuan to live or perish with their cities and to make a firm resolution to resist any "Red" invasion has been issued by General Liu Hsiang Commander-in-Chief of the Szechuan Bandit-suppression Forces. General Liu threatens punishment under martial law to those failing to fulfill their duties.

It is reported that the northern Szechuan Communists now are established at Paoingilung, but Government troops are being rushed there to deal with both Communist armies and to prevent any junction between them. Some anxiety is felt because of the large number of foreigners residing large number of foreigners residing in Szechuan, some of them as far afield as Tachienlu, their total being in the neighbourhood of 300. At present, there are five foreign gunboats at Chungking—one French, two American, and two British.

The new Szechuan Provincial Government Committee was scheduled to be formally inaugurated on the 20th inst. General Ho Cheng-chun, Director of the Hankow Pacification Headquarters, was to administer the oath on behalf of the Central authorities.

GENERAL HU TSUNG-NAN TAKES OVER GARRISON OF 2 SZECHUAN CITIES

General Hu Tsung-nan, Commander of the Central Government's Ist Division, whose troops have recently entered Szechuan from Kansu under orders from General Chiang Kai-shek to assist in the Communist-suppression campaign, has taken over the garrison of the two Szechuan cities, Kwangwuan and Chaohua, near the Kansu-Shensi border. The two cities were formerly under the jurisdiction of General Teo Hsi hou, Commander of the Ist Route of the Szechuan Banditsuppression Forces.

Wang Wen-chih, a personal representative of the Chairman of the Szechuan provincial government arrived in Sian from Chung-king, Jan. 19 to interview General Yang Hucheng regarding the work of bandit suppression in Szechuan. Interviewed, Mr. Wang said Szechuan welcomed the the despatch of Shensi and Kansu troops to northern Szechuan to participate in the drive against the "Reds" in order to wipe them out at an early date, he said. In view of the close relationship between the three provinces, he hoped that close cooperation will be effected by the Provincial leaders.

CENTRAL BANK AT CHENGTU TO OPEN NEXT MONTH

Preparations for the establishment of a branch office of the Central Bank at Chengtu to assist in the readjustment of currency situation in Szechuan are reported to have been completed and the Bank will open for business in the middle of next month. Chen Shao-wei, Special Commissioner of the Finance Ministry to Szechuan, has arrived at Chungking. He is carrying out an investigation of the existing financial and currency conditions in Szechuan and will submit a report to the Ministry upon completion of the investigations. According to Mr. Chen, the most knotty problem in Szechuan

finance is the circulation of the miscellaneous notes and provincial bonds, which must respectively be withdrawn and redeemed before any thorough readjustment can be effected.

GOVERNMENT ROUNDING UP RED REMNANTS FROM KIANGSI

"Mopping up" operations by Government troops against the remnants of the Communist forces routed in Kiangsi during the recent campaign are proceeding steadily. One group, consisting of 5,000 men with 4,000 rifles under the command of Lo Ping-hui, which penerated into Anhwei after the retreat of the main body of Communists into Kweichow, have been halted in their march on Wuhu and the Yangtze by the arrival of Government reinforcements at points along the river. This group was responsible for the recent brutal murder of Mr. and Mrs. John C. Stam in southern Anhwei. Strong forces of Government troops are now moving into Anhwei along the river from northern Kiangsi, and another column under General Chao Kwan-tao is closing in on the Communists from the Chekiang-Kiangsi border. It is expected that Lo's men will be rounded up as soon as the Government troops reach their positions.

Meanwhile, a second group of Communists, consisting of 20,000 men commanded by Hsiang Ying, vice-President of the so-called Chinese Soviet Government, has taken shelter in the mountainous region between Nankang and Tayu, in south-west Kiangsi. They call their headquarters the "Kiangsi headquarters of the Chinese Soviet Government." About 20 divisions of Government troops are stationed round them. Hsiang Ying's capitulation is expected shortly.

The communist suppression forces operating in north-western Hunan have occupied Chikou, about 60 kilometers northwest of Tayung, target of the enveloping attack now being launched by the anti-Red armies in the Province.

General Ho Chien, Commander-in-Chief of the Government Pursuit Forces, left Changsha for Changteh, northern Hunan, Jan. 19 to supervise the launching of a general offensive on the remnant "Reds" under Hsiao Ko and Ho Lung at Tayung and Yungshun, north-western Hunan.

BRIDGE ACROSS CHI RIVER IN KIANGSI COMPLETED

An important engineering project in southern Kiangsi —the steel bridge across the Chi Kiang (River), near the Ta Yu Ling (Mountain) along the Kiangsi-Kwangtung border—has been completed after one year's work, under the direction of the Kiangsi Provincial Department of Reconstruction.

Construction work on the Yungsin-Lianghwa Highway, along the western border of Kiangsi, has been completed and omnibus service will be operated shortly, it is learnt at the Provincial Highway Bureau.

Estimates for the construction of the electric power plant and water works in Nanchang call for an outlay of $3,185,000, of which $1,785,000 will be expended on the electric power plant and $1,400,000 on the water works including the installation of pipes and other equipment. The power plant is expected to be completed in two years and the waterworks in one year. The total capital for the two public utilities is fixed at $3,200,000. The Kiangsi Provincial Government will subscribe $500,000, and the balance will be provided by the China Development Finance Corporation.

GENERAL CHIANG'S HOPES FOR 1935

"During this 24th year (1935) of the Republic, it is my hope that our comrades will strive to discharge their duties faithfully, redouble their efforts for strengthening the nation, and, through faithful cooperation and genuine harmony, seek the fulfilment of our mission." This statement was made by General Chiang Kai-shek, President of the Military Affairs Commission, in the course of an address at the enlarged weekly memorial service at Central Military Academy Jan. 21.

General Chiang arrived at Shanghai from Fenghua in the afternoon of Jan. 15, travelling by his private Ford plane. He remained in Shanghai for four days, during which he received the various local officials and conferred with the Chinese bankers on the financial situation of the country. Leaving for Nanking by train in the afternoon of Jan. 18, he arrived at the Capital in the evening. Since his arrival, he has been busy in receiving visitors and conferring with the Government leaders. It is understood that General Chiang is planning a short stay at Nanking before deciding upon proceeding elsewhere.

PEIPING POLITICAL HEAD ARRIVES IN NANKING

General Huang Fu, Chairman of the Peiping Political Affairs Readjustment Committee, arrived at Nanking Jan. 19 from Peiping by special train to assume his concurrent post as Minister of Interior.

General Huang on Jan. 20 called on President Wang Ching-wei and General Chiang Kai-shek, to whom he reported on the situation in North China. During General Huang Fu's absence from Peiping, the affairs of the Peiping Political Affairs Readjustment Committee are in charge of Mr. Wang Ko-ming, Director of the Finance Department.

CHANG NAI-YEN NOT RESIGNING

In an exclusive interview with a representative of the *Central News Agency*, Dr. Chang Nai-yen, Minister to Belgium, denied that he had tendered his resignation to the Foreign Office. He said that he returned to China on a three months leave, and will report to the Government authorities on the Sino-Belgian diplomatic affairs and the result of his investigation of reconstruction work in European countries. Dr. Chang said he will return to Brussels as soon as his leave expires.

The presence in Nanking fo Gen. Wu Te-chen, Mayor of Greater Shanghai, is reported to be concerned with the effort to achieve a rapprochement between Nanking and Canton.

LEGISLATIVE YUAN HOLDS FIRST MEETING

The first meeting of the Legislative Yuan for the 4th term was held Jan. 18 under the chairmanship of President Sun Fo, with 82 out of the 86 members in attendance.

During the past six year, 4,986 foreigners of both sexes have been naturalized as Chinese citizens. Among those naturalized, Russians in Sinkiang (Chinese Turkestan) and Kirin form the largest number with Koreans ranking next.

The Kwangtung Provincial Government, in a circular order to the organs under its direct jurisdiction, instructs that diplomatic affairs must henceforth be dealt with solely by the Ministry of Foreign Affairs. Interference in foreign affairs by subordinate organs is strictly prohibited.

POSTPONEMENT OF SPRING SETTLEMENT URGED

That the Spring Settlement Period in Shanghai be postponed for one year, is urged by the Citizens' Association of the Shanghai 1st Special District in a petition to the Central Government. The industrial and commercial depression in Shanghai is now so serious, the message states, that liquidations are almost a daily occurrence. The situation is further aggravated by the low level of commodity prices and the exorbitant rentals charged by landowners. Unless the Spring Settlement Period is postponed for one year, the petition continues, a large number of commercial concerns in Shanghai will be forced out of business and the return of prosperity further deferred.

WORK ON NINE-PROVINCE PHONE SYSTEM BEGINS

Work on the Nine-Province Long-Distance Telephone System, planned by the Ministry of Communications, has been started. Installation of the first trunk line between Nanking and Hankow is now under way and is expected to be completed in summer this year. In order to facilitate the installation, the line has been divided into two sections, namely, Nanking-Hankow and Hankow-Chiupu (Anhwei) sections, and work is proceeding at both ends. The completion of this line will enable the four provinces of Kiangsu, Anhwei, Kiangsi and Hupeh to communicate over the phone simultaneously. The other five provinces which is included in the system are Chekiang, Hunan, Honan, Shantung and Hopei.

Japan-Manchukuo Economic Council Treaty Is Drafted

Upon the arrival recently in Changchun of General Jiro Minami, newly-appointed Commander-in-Chief of the Kwantung Army and Japanese Ambassador to Manchukuo, the problem of establishing a Japan-Manchukuo Economic Council was given immediate attention. The Japanese drew up a draft of the idea, the preamble of same setting forth the purposes for which the council is to be created. It stipulates that the seat of the Council shall be at Changchun; that the purpose is to promote Japan-Manchukuo economy and communications and secure a readjustment of present mutual relations. For this purpose three committee men shall be selected by both sides and a number of secretaries be appointed for disposal of proceedings of the Council. The chairman shall alternate between Japan and Manchukuo. The organ shall be a purely deliberative organ. Its decisions shall be legalized in the respective countries as much as possible in deference to the spirit of the decisions made.

Manchukuo Emperor Saluted at Port Arthur with Salvo of 101 Guns

Accompanied by members of the Imperial suite, Emperor Kang Teh of Manchukuo arrived in Port arthor from Changchun on thr night of Jan. 21. A salvo of 101 guns was fired in his honor. *Rengo* says Port Arthur was in festive mood for the occasion and that every one appeared to be dressed in his or her best clothes, while the entire city was bedecked with Manchukuo and Japanese flags. Immediately after his arrival, the Emperor proceeded to the residence formerly occupied by General Takashi Hishikari, excommander-in-chief of the Kwantung Army, closely guarded by the full force of the local gendarmes and police. He will remain in Port Arthur about a week.

Count Hayashi Brings Up a Point in Reply to Finance Minister Takahashi

Referring to the recent declaration of Finance Minister Takahashi, that the outflow of funds to Manchuria was affecting Japan's financial standing unfavorably, Count Hirotaro Hayashi, President of the South Manchuria Railway Company declared Jan. 17 that although the Governmental regulation of Japanese investments in Manchukuo would do no harm, the Government should not forget that the funds invested by the Japanese in Manchuria are spent in Japan for the purchase of the necessary materials.

Japanese War Minister to Visit Manchukuo

The Kwantung Army officers are making preparations for the forthcoming visit of General Senjuro Hayashi, War Minister, to Manchukuo. The War Minister, according to the present plans, will leave Japan after Emperor Kangte of Manchukuo ends his visit to Japan, late in April or early in May.

Manchukuo-France Radio Link to Be Inaugurated

Direct radio communication between Manchukuo and France will be established late in February, the Manchuria Telephone and Telegraph Company announced Jan. 18. Arrangements for direct communication were recently completed between an M.T.T. representative and a Radio-France agent in Tokyo.

French Firm to Build Manchukuo Foreign Office Building

Construction of the New Manchukuo Foreign Office building at Changchun, which will be undertaken by a French contracting firm, Frazar Mopin, will be commenced next April and completed by December 15 of this year. The site of the new building covers an area of 3,500 square metres on West Wanshou Avenue. The building will be a two-storied ferro-concrete structure with every modern equipment. It will be completed at a total cost of 480,000 yuan, of which 380,000 yuan will be expended on the building itself and the remaining 100,000 yuan on furniture and other equipments. This is the first time any state building contract has been awarded a foreign concern other than Japanese.

Soviet Flights on Manchukuo Border Arouse New Protests

Shih Li-pen, Manchukuo Commissioner for Foreign Affairs in Harbin, called on Mr. Rayvid, acting Soviet Consul-General, Jan. 28 to file a protest on the violation of Manchukuo's territorial integrity by Soviet military aeroplanes early last week. According to the terms of the protest, two Soviet military aircraft flew across the Soviet-Manchukuo border on January 14. After circling over Suifenho, one of the machines landed at a point four kilometres west of that town.

Before taking off on their return flight to Pograntitchnaya, the four occupants of the machine are said to have alighted from the machine.

Japanese Green Tea Invades Afghanistan Markets

A recent Tokyo message stated that Japanese green tea is competing with Indian tea in Afghanistan markets. Sales increased after rumors that Japanese tea contained poisonous elements were disproved.

High Rate of Tubercular Symptoms in Manchuria

Eightly per cent of Manchurian youth of about 25 years of ge have tubercular symptoms, according to a recent investigation conducted by the sanitation bureau of the S.M.R. of schools in the Kwantung Leased Territory and the railway zones.

The statistics show that 17.8 per cent of the children of five years of age in Kindergertens are affected, 24.7 per cent of the children in the first year of primary schools, 28.7 per cent of the children in the third year of primary schools, 39.1 per cent of fifth year pupils, 43.3 per cent of sixth year pupils.

Children of about 13 years of age and in the first year in middle schools showed an increased percentage of 45.6 per cent, or 1,001 students of the total examined. Third year students middle schools showed 51.72 per cent are affected, while in the fifth year of the middle school, 65.8 per cent of the students showed tubercular symptoms.

Among students in the first year of higher schools, immediately following the fifth year of midle schools, 74.1 per cent, were found affected while in the second year of higher schools, 74.4 per cent, and in the third year 63 per cent were found tubercular.

According to Dr. Ogawa of the Sanitation bureau of the S.M.R. those of about the age of 25 score the highest percentage in respect to the number os tubercular patients in Manchuria.

Five Chinese Alleged Communists Arrested in Dairen

Five Chinese, said by the police to be members of the Chinese Communist Party, were arrested in Dairen January 22. The men, whom the police charge with plotting "terrorist activities", are recent arrivals in Dairen.

General Minami on First Inspection Trip

General Jiro Minami, Commander-in-chief of the Japanese Kwantung Army and concurrently Japanese Ambassador to Manchukuo, accompanied by Major-General Seishiro Itagaki, Assistant Chief of staff of the Army, flew to Harbin Jan. 21 on the first inspection trip since he assumed office on December 26.

Manchukuo Hastens to Enforce Exchange Control to Remove Unrest

The *Asahi* January 16 printed a telegram from Changchun to the effect that in order that the feeling of unrest growing out of the outflow of Japan's capital into Manchuria may be removed, the Manchukuo Government is now hastening to enforce exchange control. The outflow of Japanese capital into Manchukuo has so far amounted to Yen 140,000,000.

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British Industries Mission Continues Japan Contacts

The Federation of British Industries has selected a committee to maintain contact with the corresponding body appointed some weeks ago by the Japan Economic Federation. The committees have as their main object improvement of the commercial relationship between Great Britain and Japan. Their formation is the outcome of the recent visit to Japan and Manchukuo of the mission sent by the Federation of British Industries.

Lord Barnby, who headed the mission, will be chairman of the new committee, the other members of which are:

Sir Charles Seligman, of the banking firm of Seligman Bros., who accompanied him to Japan and Manchukuo;

Sir Arthur Balfour, managing director of Arthur Baifour and Co.,

Sir George Beharrell, managing director of the Dunlop Rubber Co.,

Sir Harry McGowan, chairman of Imperial Chemical Industries;

Lord Cozens-Hardy, Vice President of the Royal Automobile Culb;

R. W. Allen, chairman of W. H. Allen, Sons and Co.,

Frank Farrell, the prominent silk manufacturer;

Guy Locock, a director of the British Federation of Labor, who was one of the members of the Barnby Mission;

Julian Piggott, who was secretary to the Barnby Mission;

W. J. Woolcock, formerly president of the Society of the Chemical Industry;

Lieutenant-Colonel R. K. Morcom, a director of Lloyds Bank, and Messrs. D. Boyle and J. L. Edmondson.

The report of the British Industrial Mission among other things mentioned that it felt that there is a definite outlet for foreign goods, including British. In particular demand from various foreign countries, in addition to the supplies provided by Japan were: Diesel and gasoline road rollers, buildling machinery, road-making machinery, diesel engines, gasoline engines, machine tools, filters for water works, agricultural machinery, textile machinery, coal mining machinery, railway car couplers, trucks, omnibuses, trucks and automobiles, wire rope, structural steel, dredging machinery tractors for road-making, machinery for electric power-plants. All these products are being sold by European and American makers in addition to Japanese. Goods of this nature can either be sold (the report

fontinued) in the ordinary way of business, or an outlet may be lound for them in connection with British participation in some large-scale development schemes.

⁂

1,271 White Russians in Manchukuo Employ

A survey of the "White" Russians employed by various departments at Changchun recently completed shows that more than 1,200 emigres have been given work by the Manchukuo authorities.

According to the departments, the "White Russians" were divided as follows:

Ministry of Finance	29
Ministry of Justice	45
Ministry for Mongolian Affairs	128
Harbin Special Municipality	69
North Manchurian Special District Office	220
North Manchurian Special District Police	74
Harbin Police Force	130
North Manchuria Railway guards	208
Bureau of State Railways	368
	1,271

Zinoviev and Aides Get Prison Terms—Will Not Face Firing Squad

Gregory Zinoviev and Leo Borisovich Kamanev, leaders of the old Bolshevik regime, and 17 others charged with complicity in the assassination of Sergei Kirov, late member of the presidium of the Central Executive Committee of the Soviet Union, were sentenced to various terms of imprisonment at Moscow, Jan. 17 by the Supreme Court. Zinoviev was sentenced to ten years' imprisonment, while Kamanev received a five year prison term. Various terms of imprisonment were imposed on the 17 other accused. In addition to those sentenced by the Supreme Court, the Commissariat of the Interior sentenced 49 others accused of being members of the anti-Soviet organization, to terms of imprisonment at concentration camps. Twenty-nine others were exiled to various parts of the Soviet Union. The sentences imposed on Kamanev, Zinoviev and the others tried by the Supreme Court, belie predications that they would face a firing squad.

South Manchuria Railway Co. to Be Reorganized

A decision to reorganize the South Manchuria Railway Company, and confine its operations to a single Railway, was tentatively reached at Dairen, January 16, at a meeting of the S.M.R. Board of Directors. It was also decided to divorce the numerous subsidiaries from the reorganized concern, and to continue in the future to operate the state railways of Manchukuo. All of the state railroads, with the exception of the North Manchuria Railway Co., (C.E.R.), negotiations for whose sale are now in progress, are at present operated by the S.M.R. at the request of the Manchukuo Government. When the C.E.R. railway is handed over to the S.M.R., the latter will monopolize all the railways in Manchuria, extending a total length of more than 6,000 kilometers. This epoch-making change in the history of Manchuria's railways, the Tokyo *Nichi Nichi* points out, will bring about phenomenal developments in the management of the S.M.R. and will demand a radical alteration in the plan of operation of the company. In case a big railway tramporation company is organized, it will be a Japan-Manchukuo joint-capital company, embracing in the railway enterprise such subsidiary enterprises as the management of port and harbor facilities, Dairen Steamship Company and Kokusai Unyu (International Transport) Company, etc. Realization of the scheme will however, be subject to political factors, and the scheme will undoubtedly become a subject of talk at the meetings of the Japan-Manchukuo Economic Commission to be organized. Such being the case, considerable time is expected to pass before the scheme becomes a reality.

Arrests in Manila Protested by Soviet Steamer Captain

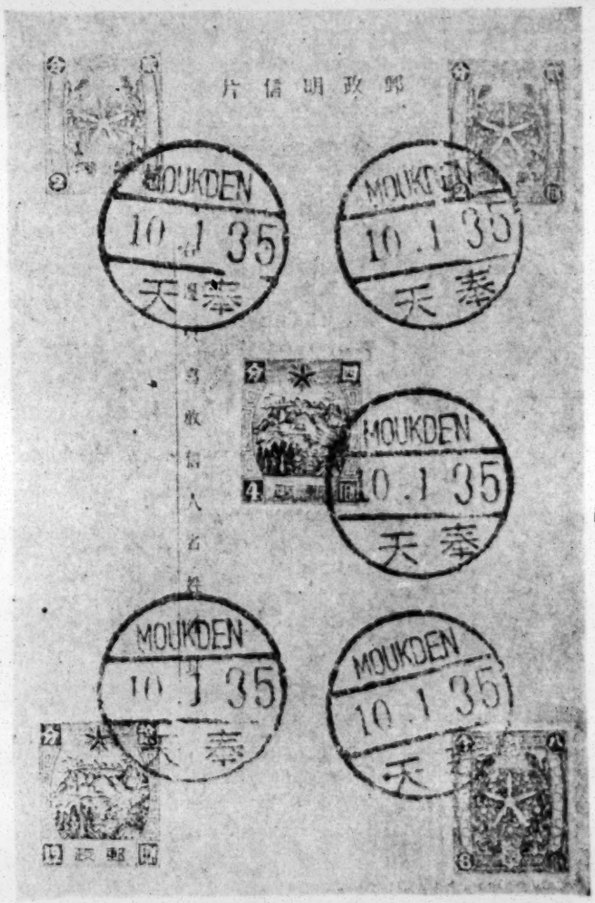
Protests were lodged Dec. 21 with the American and Philippine Governments by Mr. Mushoff, captain of the Soviet freighter *Ordjonikidze*, against the action taken by the Philippine Constabulary in boarding his vessel and arresting 23 Manila residents. Complaint was also made against the step taken by the police in forcing all Russians to return to the ship. The authorities, when interviewed, declared that the arrested men were Filipino and Chinese Communists, financed from Moscow. They would be prosecuted, if possible, for Communistic activities.

China's Violation of Mail Agreement Cannot Be Overlooked, Says Colonel Giga

A Tientsin dispatch to the Tokyo *Asahi*, Jan. 11, stated that Colonel Giga, head of the Shanhaikwan Special Service Corps, who participated in the through mail negotiations as Japan's observer, stated that he could not overlook China's violation of the agreement. The Chinese authorities announced in the Chinese press that all mail matters destined for Manchuria must bear the names of the localities in use during the regime of the North-Eastern Army.

Colonel Giga stated: "We did not absolutely agree that all mail from China to Manchukuo should bear the old names of localities. The general public can either use the old or new names. If China regards the new names as illegal and rejects mail, it constitutes a clear violation of the agreement, and we cannot keep silence on the matter. The Kwantung Army will conduct an investigation into the matter and if China's violation of the agreement is established, we shall file a vigorous protest against it."

STAMPS WITHOUT A COUNTRY



The above is a photographic reproduction of the new postage stamps which will be used on all mail dispatched from Manchukuo to China proper. The stamps contain no reference to the country of origin, the Chinese characters meaning merely "you-chun" or postal service. The illustrations on the 2-cent and 8-cent stamps consist of the orchid or national flower of Manchuria together with two stalks of kaoliang. The 4-cent and 12-cent stamps are illustrated with a picture of Mt. Changpai, famous Manchurian mountain. The cancellation marks used by the Manchukuo post office contain the old Chinese names, rather than the new names which have been adopted since the Japanese occupation. All mail sent to Manchuria from China proper must also contain the old names of towns and provinces, rather than the new names which have been applied since the creation of the puppet state.

Aw Boon Haw Is Decorated by Nanking Government

The National Government has issued a Mandate officially commending Hu Wen-hu (better known as Aw Boon Haw), noted industrialist and philanthropist in Malaya, for his generous contributions towards the promotion of education. The Government authorizes the conferment on Mr. Hu of the 3rd class Order of the Brilliant Jade (*Tsai Yu Chang*).

Loan of £238,000 to Huai River Commission Made by E. D. Sassoon Banking Co., Ltd.

An agreement was signed on January 12 for a Sterling Loan of £238,000 to be granted by E. D. Sassoon Banking Co., Ltd., to the Huai River Commission to finance the construction work in China of the Chiangpa Regulator of the Huai River. The loan, which is secured on a portion of the Boxer Indemnity Funds, received by the Board of Trustees in China from the British Government, will carry interest at the rate of 6 per cent per annum, and will be amortized over a period to ten years commencing in January 1936. In connection with this loan there will be no public issue of bonds such as were issued in the case of the recent similar loan for the completion of the Canton-Hankow Railway.

Nanking City to Lease City Railway Line

The Nanking Municipal Government has decided to lease the city railway to the Kiangnan Railway Company for operation. According to the draft agreement submitted to the Executive Yuan, the period of the charter will be 20 years.

Steel Bridge Across Chi River Is Completed

The steel bridge across the Chi Kiang (River), near the Ta Yu Ling (Mountain) along the Kiangsi-Kwangtung border has been completed after one year's work, under the direction of the Provincial Department of Reconstruction.

Chinese Cotton Mills Suffer Heavy Losses

Losses sustained by the 92 Chinese cotton mills in this country amounted to $25,000,000 during 1934 or $60,000 every day, according to a report appearing in the *China Times*. The gross turnover by the 92 Chinese mills during the year is said to be $500,000,000, as 2,500,000 bales of yarns were produced. Of this gross receipt, the report added, $11,000,000 was paid for the consolidated taxes, $20,000,000 to the financial circles as interest, and $20,000,000 as salaries and wages. With the raw cotton required for the production estimated to cost $375,000,000, the losses sustained through storage of the products and forced suspension of operation owing to the depressed market, added financial burdens to the mills.

Ministry of Finance Announces Schedule of Loan Redemption

The amount of principal and interest on Domestic Loans to be redeemed this year is announced by the Loans Department of the Ministry of Finance as follows:—

January, $10,950,947.53; February, $8,920,167.53; March, $15,464,132.58; April, $11,055,187.53; May, $8,444,147.53; June, $11,948,877.58; July, $11,466,207.53; August, $8,434,807.53; September, $15,793,990.08; October, $12,118,787.53; November, $8,360,827.53; December, $11,860,727.58.

Chekiang Province Draft Agreement for $2,000,000 Concluded

A draft agreement between the Chinese bankers in Shanghai and the Chekiang Provincial Government for a loan of $2,000,000 has been concluded. The Hangchow authorities had been seeking to raise a sum of $6,000,000.

New Factory in Shanghai Fits Motor Cars for Charcoal Gas

The charcoal gas-fed motor car is nothing new in China, as it has been in successful use in Central China for several years. The idea is now being developed in Shanghai. A factory has been established at 270 Tsitsihar road by the inventor, Tang Chung-ming, where automobiles and trucks are being fitted out with charcoal-burning tanks and mechanism. The introduction of this new device to serve on long distance buses and automobiles in the interior parts of China has been approved by various hsien authorities. The fourth judicial district of Hsin Hsiang Hsien, Honan, has placed an order with the factory for the fitting out of 10 long distance buses with the new device. It is calculated that 60 catties of charcoal will give 200 li or an average of 66 miles. In Shanghai, $2 will buy about 100 catties of charcoal, or 66 miles to an average of 10 gallons of gasoline, costing over $8. In the interior parts of China, such as Hunan, Hupeh, Shansi, Shensi, the price of charcoal is even much cheaper, and the cost of running long distance buses is therefore very much reduced, Mr. Chang says.

Dr. Kung Announces Settlement of Banque Internationale Loan Dipute

Dr. H. H. Kung, minister of finance, announced at Nanking Jan. 18 that a settlement has been reached of differences existing for a number of years between the Chinese Government and the Banque Internationale de Commerce de Petrograd (now established in Paris), with respect to the disposition of funds remitted to that bank as paying agent for the service of the 4% Gold Loan of 1895.

The settlement just effected releases funds whereby certain bonds and coupons of this loan that were presented after the final date of payment of the loan (July 1, 1931) and now deposited at certain of the paying banks in Europe, may be paid; and these bonds and coupons are now being encashed in accordance with instructions communicated by the Government to the paying banks.

This settlement will permit the complete liquidation of this loan, which has enjoyed a senior position on the Customs security, and represents a futher step toward improvement of the credit of Chinese obligations.

China and Italy Linked By Direct Wireless

Direct radio communication between China ane Italy was inaugurated Jan. 21, according to an announcement made by the Ministry of Communications.

Half a Million Dollars Worth of American Aircraft Machinery Arrives at Canton

Over $500,000 worth of machinery arrived early this month in Canton from the U.S. and will be used by the First Group Army of Kwangtung for the installation of an aircraft works at Shaokuan, 150 miles north of Canton. Several American engineers are assisting the Chinese authorities in setting up this machinery, one of them being connected with the Central Aviation Academy at Hangchow. The new factory at Shaokuan will manufacture not only the body of the planes but also the engines. The First Group Army will utilize the coming iron and steel works to supply the metal, and the new hydro-electric power station at Yungkiang to drive the machinery. The Army Air Corps is already manufacturing aerial bombs, while machine guns will be manufactured by the new arsenal at Pakiang. It is said that the air force will be used only for national defence.

Four New Planes Ordered in U.S. by China National Aviation Corporation

The China National Aviation Corporation has placed in the United States an order for four new airplanes, three of which will be commissioned on the Shanghai-Chengtu Airway and the fourth on the projected Chungking (Szechuan)-Yunnanfu (Yunnan) Airway.

British Plan Airline Between Rangoon and Hongkong

Negotiations for an air line linking Rangoon and Hongkong, which formed an important part of the recent mission to the Far East of Sir Philip Sassoon, under-secretary of state for air, are being actively prosecuted in London. These negotiations, it is said, involve agreements with Siam, Indo-China as well as China. Meanwhile, the Imperial Airways are arranging to increase their fleet which serves India, Africa and Australia by several bigger and faster air liners with a special view to the promised penny and half-penny Imperial air mail in 1936. The first-class mail to India alone weighs ten tons a week, of which the Imperial Airways only transport one ton.

Lord Sempill Recommends Better Understanding with Japan

Lord Sempill, Chairman of the Civil Aviation Section of the London Chamber of Commerce, in a speech at Melbourne on November 30 last, emphasized the need of co-operation between Britain and Japan. He is reported to have stated that as Britain has extensive interests in the Far East, it is very important for Britain to establish a perfect understanding with Japan. It was due to the recognition of this need, he said, that the Anglo-Japanese Alliance was signed in 1902.

Col. Lindbergh to Make Trans-Pacific Flight

The Pan-American Air Lines in a recent statement denied that a trans-Pacific air mail service would be inaugurated in April. Officials of the line declared that so far no date has been set for the starting of the California-China service.

Friends of Col. Lindbergh stated in Washington, Jan. 18, stated that, following the conclusion of the Hauptmann trial, the airman will fly across the Pacific Ocean in the giant Clipper Pioneer for the purpose of establishing landing bases for the Pacific air line. The longest lap will be from California to Honolulu, but the distance, which was covered recently in eighteen hours by Miss Amelia Earhart, can be done in twelve hours in the Clipper Pioneer. The whole distance of 14,480 kilometres is to be covered in 60 hours by the company's planes, thus cutting off considerable time from the four weeks required by steamship.

Lloyd George Wants Anglo-American Understanding Against Japan

Lloyd George, Britain's War-time Prime Minister, in a speech at Bangor, England, Jan. 17 declared that the menace of war was much greater in the Pacific than in the Atlantic, adding that the situation in the Orient necessitates a complete Anglo-American understanding and urged that both nations agree to act together for the purpose of pacifying the world. He also demanded that the British Government adopt a stronger attitude towards China.

Telephone Co. Asks Rate Adjustment —Additional Revenue Sought

The Shanghai Telephone Company has made application to the Shanghai Municipal Council and the French Municipal Council for an adjustment in telephone tariffs as from April 1, 1935, in accordance with franchise agreements. The various adjustments in the schedule of rates will be announced later. The Company in a statement points out that under the franchises, the company upon completion of the conversion to automatic operation was entitled to a net return on the capital invested in the business of eight per cent plus two per cent per annum. The Shanghai Telephone Company acquired the Shanghai Mutual Telephone Company, Ltd., on August 5, 1930, and agreed to reconstruct the property and provide a full automatic telephone service for the International Settlement and the French Concession within a period of two years. Through diligence and careful planning the conversion was completed more than four months ahead of schedule, resulting in 18 per cent of the contract time being saved, to the benefit of subscribers.

The Telephone Company points out that it has been necessary to make additional capital expenditures to take care of the additional traffic. Furthermore the system has expanded more than was anticipated in 1930 and, since the object of a telephone system is to provide communication, the added number of telephones which can be reached is a further benefit to the subscriber. At the end of 1930 there were 33,537 telephones connected to the exchange network of the system and at the end of 1934 there were 51,783 telephones—an increase of 54.41%.

In this connection the Telephone Co. says:—"The benefits to subscribers are in striking contrast to the unfavorable results experienced by the company. The service has been carried on at an actual out-of-pocket loss during the period from August 5, 1930 to December 31, 1933 and the period as a whole shows a very small return. It has not been practicable to pay any dividend to stockholders. This situation also existed with the Shanghai Mutual Telephone Company, Ltd., as the last dividend was paid in respect of the year ending March 31, 1929. Futhermore, it has not been possible to make any appropriation to the general reserve account, which is of considerable importance in the running of the business. The company has done its best to give a dependable telephone service and observations indicate that this has been achieved. The telephone plant of the company has been economically constructed and operating economics which the management feels are possible at this time, consistent with rendering good telephone service, have been effected. The company's total capital expenditure is not high. There is not a great excess of spare plant beyond what is necessary to service subscribers without delay. It is reasonable, therefore, to expect the community to complete its part of the bargain, namely to provide revenues sufficient to pay the agreed return on the company's investment."

The Telephone Company's plan for securing additional revenue is not based on the idea of a general flat rate increase, but to follow the practice now fairly general throughout the world of putting all business phones on a message basis, with a minimum flat rate. Private phones are to continue on a flat rate basis, with a possible slight increase.

The *North China Daily News* in an editorial on the Telephone Company's application, commented:—"The telephone service now operating here is unrivalled anywhere. Those who recall the hectic troubles of the manual system—complicated by the language difficulty which naturally is more marked here than in most cities—will agree that they can scarcely recognize the telephone for the same instrument. Instead of being a source of daily irritation and the exhaustion of a voluminous vocabulary of expletives the little black vulcanite imp has become a genie of extreme friendliness. Business is made infinitely easier to direct with the help of the telephone. Brokers, for example, have been able to abandon their archaic traps and to save themselves unnecessary exercise, to the benefit of their golf handicaps, by equipping their desks with the telephone. Here, thanks to the enterprise of the Company, they have gone further than their colleagues elsewhere, for the private line has immeasurably helped to solve their difficulties and Shanghai uses the private line more extensively and effectively than any other city."

Foreign Oil Firms in Japan Protest Against Government Restrictions

Representatives of the Rising Sun Petroleum Company and the Standard Vacuum Oil Company arrived in Tokyo recently to open direct negotiations with the Japanese Foreign Ministry and the Commerce Ministry in the hope of modifying the new law which is held by the foreign companies to lay overly severe restrictions on their business in Japan. The Japanese oil concerns, such as the Japan Oil, Mitsubishi, Ogura and Matsukata Nisso, are inclined to side with the Rising Sun and the Standard Vacuum in the matter of the compulsory storage conflict, and therefore a concerted action against the Government's oil policy may take place.

Chinese Women Form Beggars' Relief Society in Shanghai

(*From the Shanghai Times, Jan. 15*)

The heartiest welcome has to be offered to the Beggars Relief Society, organized by the China Women's Temperance Association, which began functioning yesterday. It is only a small beginning on what is a very vexed problem in this city, but it is a beginning that might well lead to a very much better state of affairs than has existed hitherto. The Chinese ladies who are behind the movement are deserving of very encouragement and support. They have opened temporary offices in East Seward Road and are attempting to look after some of the more urgent needs of the women and children beggars who register with them. It is not yet possible to include men beggars within the scope of the work but it is hoped that the organization will grow to permit rescue work among the men as well. For a long time past, Shanghai has wanted the beginning of something well organized to deal with the beggar problem. The Municipal authorities of the International Settlement and the French Concession have always claimed that they could do little or nothing in the form of shelters or assistance until there was active co-operation from the Chinese side—until all three authorities in this area were working together. The problem has been to do anything which would effectively give relief to beggars and at the same time prevent them from flooding into the foreign-controlled areas. In spite of much police action in the way of periodically rounding up droves of beggars and transporting them to the boundaries there is a constant stream filtering back on to the streets of Shanghai, not only presenting pitiable sights but causing considerable anxiety to the Councils and a great deal of worry to the police authorities. This winter, particularly, owing to the hard conditions created in the neighboring countryside as a result of last summer's drought, there has been a large influx of indigents—not only the professional beggars who can easily be recognized as such but worthy country folk who have come to the big city in search of employment or help. These people have been forced on to the streets to importune for coppers, and there has obviously been much genuine hardship experienced.

The beggar problem is really a Chinese problem—wrapped up in the generally low economic standard of the people. It will only be by the exertion of remedial energies by the Chinese authorities and the charitably disposed that it will be improved. It is a social problem that goes deep down into Chinese life, but if, at the moment, there is little to inspire hope that it will be nationally tackled there is much room for unofficial Chinese action in an attempt to lessen some of the hardships of the genuine poor. Chinese charitable organizations abound and there is always readiness to help the "down and out." But it is co-ordination and widespread organization which is so often wanting and it would be a tremendous gain here in Shanghai if the newlyformed Beggars Relief Society could be linked up with official action by the three Administrations to do something in the way of a clean-up. One realizes that it is not enough to push people across a boundary and there leave them to shift as best they can—doubtless a worse kind of shift than they could make of things within the city area. Something should be attempted in the way of repatriation to original native districts after a measure of relief here. With the coming of spring and summer there will most certainly be a movement back to homes and small farmlands, and assistance to help the more honest of these people to resettle on the land should not be overlooked. There are many angles to this beggar problem, some of them bristling with difficulties, but it is good to see a promising start made by a Chinese women's organization—a start which it is hoped will be a success and leading up to even larger things.

Nanking Orders that Foreign Areas Shall Be Described as "Leased"

Reference to the French Concession or the International Settlement without using the word "leased" is regarded by the Nanking Government as being derogatory to the prestige of the country, it was reported in the Chinese press during the week.

In this connection, it was said that last week the Shanghai offices of the Chinese Telegraph and Telephone Administrations, the Bureau of International Telegraphs, and Post Office received instructions from the Ministry of Communications ordering that in the future, references to the two areas should be accompanied by the word "leased."

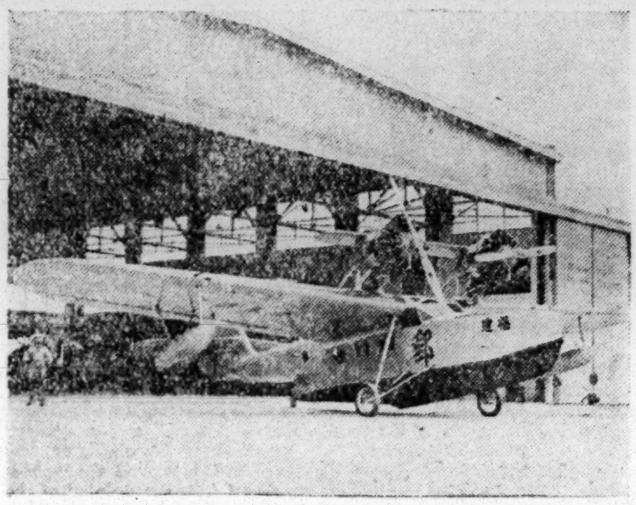
In addition, the Ministry of Justice has instructed local courts and the Bar Association to rectify the omission of the word from all legal documents, while the Ministry of Industry has ordered the International Trade Bureau and the Testing and Inspection Bureau to do likewise with trade marks, advertising, newspapers, and bill boards.

Big Iraq Oil Pipe-Line Inaugurated

The 1,500-mile-long pipe-line, connecting the Iraq oil-fields with the Mediterranean ports of Tripoli (Syria) and Haifa, was officially inaugurated by King Ghazi at Kirkuk Jan. 14. The pipeline, the construction of which took two years and cost £10,000,000, has a capacity of 4,000,000 tons per annum.

TRAVEL BY AIR

AIR MAIL AND PASSENGER SERVICE



For schedules refer to inside back cover of this magazine. For further information please apply to

China National Aviation Corporation

51 CANTON ROAD, SHANGHAI TELEPHONE 12955-4-3

How to Resist the Japanese Aggression

BY K. K. AHN

THERE are two ways for China to resist the Japanese aggression, namely by positive, and by negative policies; the former may be called a "principle" of the resistance; the latter, an "exception."

The so-called positive policy is to assume the offensive in general; for instance, China should fight against Japan immediately, following the Mukden Incident in September, 1932, and simultaneously should act similarly in various places wherever the Japanese interests concerned, to attack their garrisons and destroy their various significant establishments prior to their attack on China, and abrograte all the existing unequal treaties with Japan, by proclaiming her vices to the world. What result would, then, have followed? Of course, the situation would then have been extremely serious, as the undoubted barbarous nature of Japanese would, then have been fully exposed. But China, having the idea that if defeated in war, she would be ruined and the entire nation would fall into a horrible turmoil, dared not to act so.

This view was wrong. China has been weak for decades, and people feared to be patitioned by the Great Powers, yet it was not realized, because the Powers concerned, fully convinced that the partition of China or international control, would only become the root of a great trouble for the world, since after their great war and from the standpoint of their respective interests, they acknowledge the categorical necessity to maintain the integrity of the Chinese territory and to uphold her independence. Due to this reason, the Great Powers concluded the various Pacts by which they bind themselves mutually. So, it is merely the truth to say that the maintenance of Chinese Independence till to-day is attributable to her environment rather than to her own efforts. Therefore, whenever the question of China's existence arises, it would be the time for the Powers concerned to move substantially and argue their disputes to said effect. At present, the Great Powers, seeing Japan breaking the solemn treaties signed by her and acting with such presumption, could not sanction her vicious action, but also, due to their respective interests they were concerned differently; however, their moral responsiblity is, unavoidable.

It is very obvious that Japan, also, suffered a great loss in her politics and economics due to her aggression on China. Prior to their aggressive operation being started they originally had three principles in her aggressive policy on China, viz: firstly, to use force and amicable means together at the same time; secondly, not to attack two places at one time; thirdly, not to devour the whole China of at once, but by degrees. But Japan, at the time, due to the absence of a distinguished personage, forgot her original principles and started the Shanghai hostilities. After the event, they, being fully awakened to their wrong, retreated. This is by all means attributable to the effect of an "implicating force."

Japan, obviously observing the point, is not to take any more aggressive operation towards internal China until her scheduled period in future, and as the Japanese action does not affect foreigners' interests, now, the treaty ports are in tranquility and the desire of the people for peace increases day by day. Such phenomenon is perilous for China.

It is to be regretted that the Chinese people, at present, only know the disadvantages of the positive policy and do not know its advantages; that's why they have to resort to a negative policy. What sort of policy it may be, whether positive or negative, the most important point is that the spirit and determination has to be in unison; otherwise, it will not be effective. The Chinese Government now adopts an ambiguous attitude—which is neither positive nor negative. The present result of two years' resistance against Japan is attributable to this ambiguity.

The only exit for China to be saved from the present critical situation, is a victorious resistance. It should be realized that the exit can never be attained under the present situation. The people of the entire nation should be awake ned to abandon their traditional conception.

Shanghai, Jan. 21, 1935.

Directorate General of Posts Transferred to Nanking

After a week's work, the removal from Shanghai of the Directorate-General of Posts into the new building of the Ministry of Communications in Nanking was completed Jan. 19. Kuo Hsin-sung, the Director-General, with over 140 members of the staff were transferred to the Capital. The Directorate-General commenced functioning officially in Nanking Jan. 21.

The Year 1935

BY C. Y. W. MENG (孟長泳)

THE year 1935 is the most critical year in our modern history. The Japanese say so; the Chinese say so; and many other world observers say so. The Japanese militarists have been crying that the year 1935-6 is the "most critical year to the Japanese nation," etc. Wang Ching-wei, President of the Executive Yuan, in his first speech of the year, declared that the "next great war is looming on the international horizon". Many other writers opine that the year 1935 is critical, and possibly would witness "another world war." They say so apparently in view of the three "big problems" which have to be settled in one way or the other during this year; and these problems are: the Saar; the Naval Treaty; and Mandated Islands in the Pacific.

In such opinions we do not wholly concur. The Saar problem, which many prominent writers regard as the "cause" which would lead to the second world war, is now being settled to the satisfaction of both parties—France and Germany. As a matter of fact, the gravity of the problem was already greatly minimized by the "Rome Agreement" concluded some time ago between France and Germany with three experts from the League of Nations.

European Peace Saved

During these days when "war psychology" is prevailing in the minds of most people, we often hear very much about the coming "Great War", etc. But let us point out that by the Russo-American restoration of diplomatic relations after 16 years of rupture; by the conclusion of Franco-Russo non-aggression pact; by the Russian entrance into the League of Nations, etc., it can now be said that the so-called "possible war" between capitalists and socialist (communists) is a matter of impossibility. The settlement of the Saar problem, has greatly minimized the gravity of the European situation between the "revisionists" and "anti-revisionists". By the "Mussolini-Laval Agreements" which is the greatest move towards European peace since the world war, we believe the peace of Europe is now definitely saved. In other words, the whole situation in central Europe, which once had become very critical, has been saved through the good efforts of their statesmen, but more through their mutual desire for peace.

Far Eastern Peace in Danger

The situation in the Far East was once very critical. But such critical situation was saved by the "open door policy", the "equal opportunity doctrine" of 1898, and the "Nine-Power Treaty" of 1922 concerning China, which guarantees the "territorial and administrative integrity and independece of China," and by the disarmament agreement which fixes the naval ratio at 5:5:3 for the powers bordering the Pacific. So if such state of affairs had continued, and if the signatories to the treaties had been faithful to their promises, the peace in the Far East would also be quite safe, and the year 1935 would not be a critical year.

But unfortunately, at midnight of Septemper 18, 1931 to the surprise of the Chinese military authorities—but not so much to keen observers—the Japanese suddenly opened an offensive. In a couple of hours, all the strategical places in Mukden were completely occupied by the Japanese with machine guns and artillery in full action. In another couple of months, the three North Eastern Provinces (Manchuria) were lost in rapid succession. In one year later, a new state, known as "Manchukuo" was created. In another year, the Japanese "invasion" of North China began. In another year, the door in Manchuria was definitely closed to all foreign trade.

In doing so, Japan has necessarily to come into conflict with Russia, military as well as economic, thus reviving the old Russo-Japanese rivalry over the supremacy in Asia; Japan has necessarily to withdraw from the League of Nations, so as to avoid being morally defeated, one battle after another, in Geneva, thus creating what is known as the "Mandated Islands problem"; Japan has to appropriate huge portions of the national revenue for the arm and naval expansion, thus reviving the naval race in the Pacific. The "balance of power" in the Far East is now completely destroyed; the Nine-Power Treaty together with many other international agreements have been trampled under foot. The situation in the Far East is again critical. The "Pacific" ocean has become no longer "pacific" but rather full of "troublesome water"—which worries not only the people in the Far East, but the world as a whole. All these are due to the Japanese agression in China. So if there is a "next great war," it must be "a great war in the Far East"—with China as the battle field.

The Failure of Japan's "Water-Fowl Diplomacy"

After the occupation of Manchuria and the establishment of Manchukuo, Japan has been going on with her "continental policy"—the invasion of China, from military to political and economic. So what Japan has been doing since the "Tangku Agreement" of 1933 is to go on with their "underhand actions" of political and economic invasion of China by presenting to Nanking a series of "demands," one after another. First, we witness the demand for the opening of through rail service between Peiping and Mukden; then the opening of direct post service; then the formation of "Sino-Japanese Encoomic Jointing hands," the "employment of Japanese capital for the development of North China, "etc. The Japanese adopted the so-called "water-fowl diplomacy" to deal with China. That is, to paddle on furiously under water so as to proceed without ruffling the surface. To conduct the negotiations "piecemeal" in order to accomplish the whole object, such are the Japanese tactics employed to deal with China in the past few months. So, for a time, on the surface, it looks as if the Sino-Japanese situation is much improved, and there has been no Sino-Japanese "undeclared" war any where. But underneath, the Japanese diplomats are very active, and have been going on with their second stage of invasion of China.

But judging from Consul-General Suma's report to Tokyo, and the findings of the recent "Dairen Conference," the Japanese water-fowl diplomacy has proved a failure. The Japanese have characterized the Chinese attitude towards the Japanese as being "insincere."

Japan's "Woodpecker Diplomacy" on Trial

So we are informed that the Japanese have changed their "water-fowl" diplomacy to "woodpecker" diplomacy. By this, it means that hereafter the Japanese would open the negotiations only with the Chinese authorities, who are actually in power today, and that such negotiations would be taken up solely by the Japanese minister in China, not by "minor representatives." That is to say, the Japanese would open "direct negotiations" with the central authorities, but not with local officials; the Japanese would treat such "pending problems," as they call them, as formal diplomatic problems between two nations, but not local problems. According to the "woodpecker diplomacy," the Japanese would press on with more vigor and insistence, like a woodpecker "drilling hard into wood for insects," by employment of more threats and inducements. These "insects" are, of course, China's definite promises to cede the whole of Manchuria to Japan! The Japanese papers in Japan have already voiced the opinion that the Japanese would not be satisfied with the opening of the rail and postal services; for these, as they claim, are purely concerning direct contact between China and Manchukuo. What Japan wants is the restoration of Sino-Japanese relations to "normalcy." By this, is meant the settling of all Sino-Japanese "pending problems" by tackling the fundamental problem by one stroke!

Japan's "Underhand" Political and Economic Invasion of China

The following is a brief account which tells us what the Japanese are doing in China, which is of great importance to us:

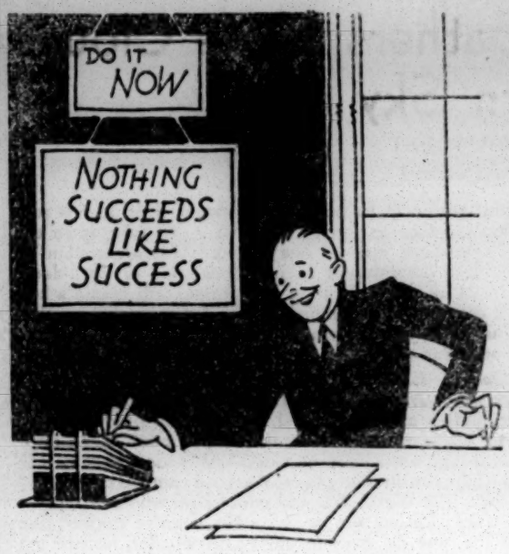
The S.M.R. (South Manchurian Railway) Company is the central organ of the Japanese "continental policy," and is responsible for the plans for the political and economic invasion of China. For the sake of expediting the invasion, it has decided to increase the staffs in the offices of S.M.R. in Shanghai, Tientsin and Peiping, and further has established branches in Nanking, Hankow, Canton, Hangchow, and Amoy. Specialists have been appointed to take up the investigation works in South China. Bureau of "China's Economic Investigations" have been established in 37 places in China. To each big commercial port, Japan would establish a market solely for selling the Japanese products. Beginning from February, an order of "mobilization" of the Japanese workers in China would be given. Tientsin would be the center of activities in North China; Shanghai and Amoy in the South. A sum of five million dollars has been given by the Tokyo government for this purpose. The Dairen Steamship Company would put on four more steamers to carry the Japanese goods to China, etc.

A Favorable International Situation for Japan

Such are the Sino-Japanese relations, and such is the Far Eastern situation. If we turn our attention to the policy of the powers in the Far East, we find that since the outbreak of "Mukden Affair," the policy of foreign powers has not only improved the situation, but has greatly aggravated the situation. The "Anglo-American Cooperation" which is so effective in blocking the Japanese aggression in China at the outset was unfortunately not realized, due to inaction on the party of Washington, on one hand; and due to London's policy of "friendly to all," on the other. No one has ever the courage to take a dignified action to uphold the international justice and the sanctity of the international agreements. Everybody is afraid of the Japanese aggression. The Sino-Russo and Russo-American restoration of diplomatic relations, which should be of more diplomatic significance and usefulness, is, unfortunately, for one or the other reason not realized. Throughout the whole period, the powers have given a very favorable international situation for the Japanese military actions, in China which, of course, has greatly encouraged the Japanese to become more bold and more aggressive than ever before.

The Mandated Islands

In order to appease the powers, we are reliably informed that it is the intention of the Japanese authorities to return the "mandated islands" to the League, of course, on the sound doctrine that inasmuch as Japan has withdrawn from the League, Japan would return these Islands to the League. But underneath is the reason that Japan realizes well that it would be difficult for her to protect these islands in the event of war. Not only this, in the event of war, Japan would not use these islands as the center of her operations, but, according to our information, Japan would use "north China" as the center of her operations.



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The Critical Year to Be Decided by Japan Herself-

So, in conclusion, we can say that whether the year 1935 would be a critical year to Japan, or whether there would be a war, it is up to Japan to decide. If Japan wants war, there would be a war. If Japan wants peace, by ceasing their aggression on China, by returning Manchuria to China, by abolishing Manchukuo, and by stopping to cry about the "critical year" for home consumption, there would be no war, hence the year would not be a critical year.

But to China, the situation is not so. The year 1935 is truly a very critical year to her. It is critical because, externally, it is now definitely known that our neighbor is firmly determined to conquer us, not only North China, but the whole of China; not only militarily but politically as well as economically. Due to the favorable international situation to Japan, she could double her effeorts to conquer us at the earliest possible date; and due to the same situation, China has been deprived off all her possible assistance. Due to the new "woodpecker diplomacy," Japan would not let China go on with her national defence; nor to seek the assistance from any power. The situation is indeed one of the hopelessness and despair!

Internally, if the present unprecedented national crisis is not strong enough to cause China to be united, we do not know when China would be united. At present, Anti-Bandit-Communist campaigns are going in many of the provinces. Many divisions of China's best troops and a large part of the national revenue has been devoted not to the national defence but for civil warfare. If such situation in China is to last longer—the very situation which Japan wants—and if "another year" is given for the Japanese action, Japan may conquer China ultimately!

Thirdly, if the powers still remain inactive or adopt a policy of "friendly to all," they would find that the Japanese declaration of hegemony in Asia is fait accompli. The year 1935 is critical in this respect that it is the "last chance" for China to wake up, to make up her mind to save herself before it is too late; and it is the "last chance" for the powers to quickly change their past blunderous policy to a more strong, dignified and far-sighted policy, to save not only China alone, but the whole situation in the Far East, which is now the only "dangerous spot" in the world due to the Japanese aggression. Such is our idea of the critical year of 1935.

Nanking, January 19, 1935.

Dr. J. C. Ferguson's Gift to China to Be Housed in Suitable Building

Approval was given at a recent meeting of the Board of Directors of the University of Nanking for the erection of a building which will house the private collection of bronzes, porcelains, paintings, jades and other valuable objects which Dr. J. C. Ferguson had donated to the University. Dr. Ferguson was the first president of the University, holding office from 1888 to 1897, and has been a director of that institution since that time. His collection of Chinese objects of art was begun while he was in Nanking. It is believed to be one of the most valuable private art collections in China and contains a number of specimens which are not included in any other collection in the world. Funds will be raised by the alumni of the University for the building to house the collection. Pending its erection and by special arrangement with the Ministry of the Interior of the Chinese Government, Dr. Ferguson's collection will be exhibited in the Wen Hwa Palace in Peiping. This is the first gift of its kind and value to be made for the use of the public in China, and the directors of the University express their appreciation of the generous gift by Dr. Ferguson and of the arrangements made by the Chinese Government for the temporary exhibition of Dr. Ferguson's famous collection in Peiping.

China Figures Largely in Rockefeller Foundation 1933 Report

The annual report of the Rockefeller Foundation for 1933 comprises a volume of 478 pages. The Foundation's work in China is described at length in various sections of the report. The Foundation's representative in China is adviser on health to the Chinese government. The Foundation has contributed in the past to the Shanghai Health Department and the health station in Peiping. The Foundation made a grant of $2,250 toward the support over a period of three years of the Marine Biological Institute at Amoy. Aid is still being given to the University of Nanking, Soochow University, Liangnan University in Tsinan and Ginling College in Nanking. The Foundation contributes towards the maintenance of the well-baby clinic at the First National Midwifery School at Peiping (a picture of which is included in the volume). Nankai University at Tientsin, Yenching University at Peiping, and Fukien Christian University at Foochow are also receiving aid from the Foundation. The report is issued from 49 West 49th Street, New York City.

Manchurian Open-Door Issue Gathers More Clouds in the Far Eastern Sky

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese publications)

THE question of Manchukuo's monopolizing, the sales of petroleum which invited a protest from Powers has been calling for careful consideration on the part of the Japanese, as is evident from the views expressed in various publications. It is feared that the question will not only affect Japan politically but will also exert no small influence upon the progress of the Japan-Manchukuo economic bloc. The *Jiji Shimpo* stated in its Jan. 10 issue that the formal reply to the three Powers will be made in a week by the Japanese Government, and it is expected the issue will make fresh developments in the not distant future. Thus, the question is, as it were, just beginning to sprout. Indeed, the nature of the question is such that it cannot but draw serious attention, not only of persons interested but also the general public. By way of showing how the people are nervous over the oil issue it may be mentioned that the petroleum oil conference recently opened in Shanghai stimulated the sentiment of the Japanese, but seeing that none of the affairs they feared might be brought up for discussion were dealt with, they felt relieved (*Jiji Shimpo*, Jan. 10).

With reference to the Manchukuo's oil monopoly issue which applied a match to the open-door issue, it may be interesting for readers to compare the following two articles.

"The oil resources in Manchuria are now under investigation, and it is decided that during the traditional period imported crude oil will be worked upon. The object of the creation of the Manchu Petroleum Oil Company is to make sure of its hold upon the oil resources of Manchukuo by means of expelling the imported oil through the monopoly of Manchurian oil market by the Japanese capital (*Manshu Keizai Nempo*, 1934; pp. 212-213)."

"It is unreasonable to regard the construction of the oil refinery of the Manchu Petroleum Oil Company in the vicinity of Dairen as a temporary measure pending the exploitation of the home deposits. We wonder if it has really been constructed as a temporary facility, for instead of such a temporary measure, surplus refining power in Japan could be utilized; the pressure of the foreign oil supply obliges oil refiners to cut their work by 40 to 50 per cent. The construction of the oil refinery in Dairen may be understood as indicating the dependence upon overseas oil producing countries; as suggesting the difficulty of the exploitation of domestic resources; and as meaning the difficulty of the work of the productive efficiency of the shale oil industry in Fushun (By Gitaro Wakimura—*Kaizo*, January)".

Following are gathered views of the influential Japanese critics on how the open-door issue influences the relations between Japan and Manchukuo and questions related to it. Writers: Kamekichi Takahashi, economist; Dr. Siichi Kojima, economic critic; Kosaku Tamura, formerly secretary of the Foreign Office; Dr. Kazuo Matsubara, Professor and diplomatic critic; Dr. Atsuzane Aoyagi, Prof. of Waseda U; Dr. Sakutaro Tate, Prof. of the Tokyo Imp. U; Dr. Katsuji Inashara, President of the Foreign Affairs Association of Japan; Dr. Zen-ichi Itani, Prof. of the Tokyo Com. U; Yoshitaro Wakimura, economic critic.

Barnby's Report Carries Instruction

Seiichi Kojima—Yomiuri, December 23: The British economic mission to Manchukuo and Japan has published the result of its investigation in Manchukuo. It recognizes the healthy growth of Manchukuo, but it is regrettable that the Barnby report states there is little hope for a long term investment in Manchukuo. This passage of the report makes us feel uneasy, for it has something inseparable from the three Powers' demand for the open-door in Manchukuo. On the part of Japan she has earnestly to invite the Powers to join our enterprises in Manchukuo in the form of joint investment. But why is it that Barnby declares there is, for years to come, little or no chance for making such a long term investment? Where does this assertion of his come from? We have to make a thorough study of the report for our reference . . . . With reference to the position of the two countries, the report, while promising a very bright future on one hand, candidly predicts that they have quite a stormy path to follow on the other. This is a very practical way of viewing the situation, and has much that requires our serious consideration and reconsideration. To countermand the open-door is to hook recognition.

Sakutaro Tate—(book form): With reference to the system of the Japan-Manchukuo economic control, it is but quite natural that in Manchukuo our industry should stand in a more favorable position than those of other countries. This contention evidently contradicts the principle of the open-door as it is construed at present. The principle of open-door was declared by Manchukuo as if it was Manchukuo's own pet principle, in spite of the fact that she could have remained as a special country in so far as her relation with other countries were concerned. Of course there may have been a political reason at its back; in a juridical light such a step cannot but look strange to foreign eyes . . . . To take down the signboard of open-door may be one measure; for Manchukuo is quite free to make or withdraw such a declaration of open-door. By the withdrawal of the declaration Manchukuo will obtain a bait to hook those countries which remain undecided as to the question of the recognition of her government. Quitting the Nine Power Treaty is the only way out.

Katsuji Inahara—Economist, December 1: No country has the right to check the attempt of a country to exercise a control upon such an staple industry as petroleum oil. It is not only indispensable in time of peace but is more so at war time. The socalled, "A drop of petroleum oil deserves a drop of blood" or "One who who has the command of the distribution of petroleum oil controls the world" endorses the fact. The World War and minor international struggles gives ample object lessons on it . . . . No country notified the acceptance of the note on the open-door; no wonder, because no country recognized Manchukuo. The declaration thus ended in utter failure. Why, then, is it that in the face of such reality, Britain and America jointly took up the question at this time in connection with the oil monopoly? Behind their demand there must lurk something . . . . That the two Powers which still regard Manchukuo a part of China, did not take up the matter with the Nanking Government but brought it to the care of the Japanese Government, must be because in their eyes Japan is guilty of the breach of the Nine Power Treaty . . . . Judged from the nature of the question a speedy solution seems impossible, and if it is left long unsettled the peace of the Far East would be affected. As a measure to settle up the question at a stroke I suggest the following steps: either (1) the Powers recognize Manchukuo or (2) Japan withdraws herself from the Nine Power Treaty. The first step being difficult of realization in view of the atmosphere in the League of Nations, there is left no alternative but to take the second step as final.

Zen-ichi Itani—Economist, December 11: Manchukuo issued two important laws on March 14. One of them is regarding the second revision of customs duty and the other concerning the petroleum oil monopoly law. The monopoly law is enacted with the object of exercising state control over the petroleum oil industry, which is vitally important from economic and military standpoint. The situation has developed the question of the breach of the Nine Power Treaty or of the open-door, stimulating the international sentiment . . . . . We wonder how the nation could establish its far-sighted national policy in case the supply from Standard Oil and Dutch Shell has been suspended as a result of the international oil interests' being stimulated by the Manchukuo's petroleum oil monopoly law and the petroleum oil control law of Japan. Before the monopoly law was promulgated a technical research must have been conducted. We are nevertheless afraid that, at the time when the 1935-6 crisis is voiced loud and the international nerves are on edge, the question may prove an unpleasant stimulant on the nerves of foreign nations.

Japan Should Observe Her International Promise

Kosaku Tamura—Gaiko Jiho December 1: For British and America, who still regard Manchukuo as a part of China, to see their importation and sales of petroleum oil in Manchukuo suddenly limited or suspended, must be a surprise. It is not unreasonable for them to feel unpleasant. . . . Even though she is released from the obligation of the Nine Power Treaty, Japan is called upon to direct her attention to the declaration made at the time of Manchukuo becoming independent. In part it stated that Japan will remove all the barriers against foreigners and give them equal chance of enjoying life in Manchukuo; the Powers are therefore expected to engage in economic activities and contribute to the exploitation and prosperity of the country. If Japan is desirous not to allow this diplomatic statement to remain as a meaningless, soft-spoken diplomacy, she is to be expected to live up to the spirt of open-door stipulated in the Nine Power Treaty. The Government and people should be one in upholding the principle of equal opportunity.

Anglo-American United Front Is Formed

Kazuo Matsubara—Gaiko Jiho, Dec. 1: Britain and America, which are rivals in other parts of the world, took cooperative attitude against the economic control of petroleum in Japan and Manchukuo. Netherlands also followed them. The world history is not scantily supplied with such examples. Their attitude in acquiring economic advantage transcends all international usages and treaties . . . . . Consequently, if we keep the door closed actually—however plausible may be the juridical theory—Powers may have recourse to a retaliatory measure we have least dreamed of. To speak merely of monopoly or control is sufficient to stimulate the over-sensitive British and American petroleum nerves

. . . . . How the Britishers and Americans stubbornly insist on the open door in the Far East can be understood by listening to the remarks of the experts of those countries. (c.f. Navy Year-Book) . . . . It is even to be expected that in matters concerning the open-door in China the navies of Britain and America may cooperate (c.f. Navy Year-Book).

Manchukuo Cannot Help Keeping Her Door Closed

Atsuzane Aoyagi—Gaiko Jiho, Dec. 15: The Manchukuo Government, for the improvement of the lire and culture of the nation and general welfare of the inhabitants, is expected to exercise a control over petroleum and other staple industries. The economic control exercised by Manchukuo is no more or less than the means of exercising her right of self-protection or of self-preservation. To insist on the oper-door and equal opprotunity is tantamaunt to denying Manchukuo its existence. Consequently, therefore, the American protest against the oil control is to be construed as meaningless.

A Japanese Explanation of the Opium Monopoly in Manchuria

(*Extracts from a memorandum by the propaganda department of the South Manchuria Railway.*)

"Before Manchukuo declared its independence from China, poppy raising and the manufacture of opium were never under any control; in fact, this evil was encouraged by the Chinese authorities who grew wealthy by imposing taxes on those who dealt in this business."

"Today the Manchukuo Government has a monopoly bureau for the control of opium in the state. . . . The opium monopoly bureau officials explain that their work is most difficult, as they do not *as yet have full control* of the opium grown and sold in this large country."

"Manchukuo abounds with opium addicts (the blame for this curse is placed on the former warlords for their ruthless methods of allowing this evil to continue unabated throughout the country.)"

"No person shall be allowed to smoke opium in Manchukuo. Special permission, however, may be given to persons of majority who have acquired the habit of opium smoking and require the same for bodiuy treatment. Legitimate opium wholesale agents and retail dealers are appointed by the opium monopoly bureau and these are known as licensed dealers. These dealers must use only the opium that is furnished by the Government."

"The opium monopoly bureau has laid down laws for the selling and smoking of opium with the idea of exterminating the drug evil by weeding out addicts by a license and ration system, coupled with the government monopoly which would regulate, according to actual needs, the cultivationtion of raw opium and the manufacture of refined opium therefrom. Under this system no one without a license issued by the proper authorities is permitted either to sell or to obtain opium. An addict can obtain a license only when the fact of his addiction is established by examination by an authorized physician."

"These are the facts regarding the opium situation in Manchukuo and as the opium monopoly bureau for the control of the opium situation is in the hands of the Finance Department of the Government, is can be easily seen that absolute control of the opium situation will bring benefit financially to the Government. This does not mean that opium smoking is encouraged."

League of Nations Comments on Drug Traffic from China and South Manchuria

(*Extracts from the League of Nation's Report on the Drug Traffic.*)

"The seizures of heroin effected in the United States of America confirm the gravity of the traffic coming from China and South Manchuria. The chief centers of the illicit manufacture of morphine and heroin in China are Szechuan, Shanghai and Peiping, with secondary centers at Mukden and Harbin, as well as at Dairen and in the Leased Territory of Kwantung. Figures are only at present available regarding the imports of acid acetic anhydride regularly effected through Shanghai. No statistics are available regarding the importation of this chemical into Manchuria and into the Leased Territory of Kwantung, so that it is not yet possible to estimate the volume of this manufacture in those two territories. The quantities imported each year through Shanghai would alone suffice for the manufacture of 18 tons of heroin. The legitimate requirements of the world as regards heroin are little more than one ton."

Location for Foreign Diplomatic Quarters Discussed at Nanking

The problem of the location for various foreign legations in Nanking was the chief topic of discussion at a meeting of the Executive Yuan at Nanking, Jan. 18. *The Central News* understands that owing to present circumstances, certain portions of the original regulations governing the sites of foreign legations will have to be modified.

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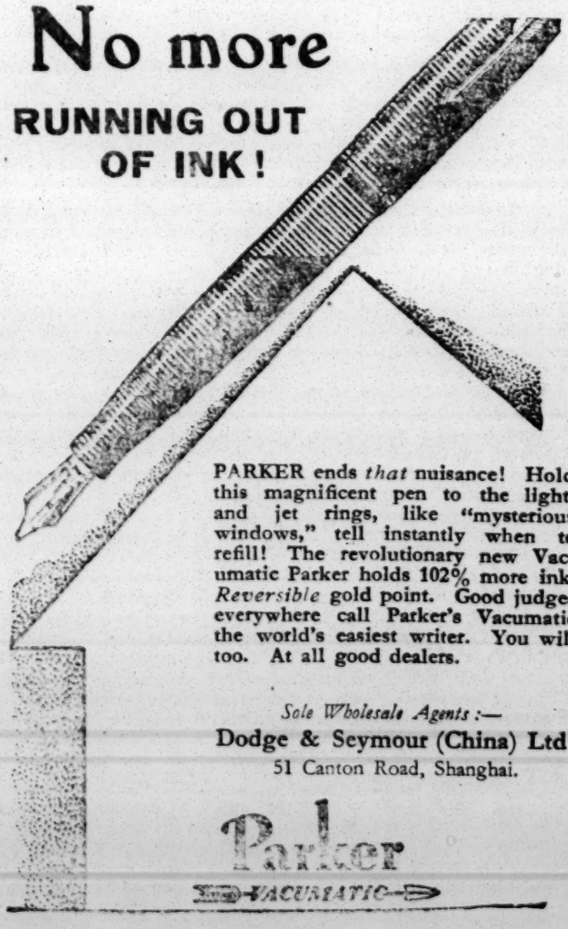

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Undeclared "Ether War" in Manchuria

BY GEORGE K. T. WANG (王公達)

THE number of radio broadcasting stations in China is more than five times larger than that of three years ago, according to an investigation made by the writer at the beginning of the year 1935.

Experts explained the situation by declaring that the wider use of radio during the past three years in China was one of the results of the shock she sustained on September 18, 1931, when the Japanese started their military campaign in the Four Eastern Provinces. While the Chinese masses realized that a strong air force was an important factor in determining the results of a contemporary warfare, they also realized that radio communication was the most effective means of forwarding information.

Thus the city and country people gradually became "radio-minded". The illiterate people particularly found that the loud speakers were the dearest of their intimate friends. Workers, farmers, soldiers, as well as housewives, now get information and entertainment chiefly from the radio receiving set.

China began to have her first radio broadcasting station in 1922, when an American enterpriser appeared as a pioneer in Shanghai. Up to the end of the fatal year 1931, China had only 18 stations. Now according to the latest investigation conducted by the writer, there are altogether 92 stations scattered in almost all provinces in this country. The fact that the number of broadcasting stations became five times larger in three years scared all keen observers.

Article in "Asia" Out of Date

Earnest T. Shaw's article published in the January issue of *Asia* this year on "Radio Broadcasting in China" was found to have been based on statistics gathered long ago. It was particularly out-of-date for Mr. Shaw to tell *Asia's* readers through his article that China had only 71 stations at present.

The 92 stations China has now are scattered throughout every part of China Proper. The big, powerful station at Nanking proved to be the center of most listeners in this country and the overseas Chinese in Europe, America and Australia, as well as in the Malayan Archipelago. The big station, operating at a frequency of 660 kilocycles, and having a strength of 75,000 watts, was established in 1932 by the Publicity Department of the Central Kuomin Tang to assist the Party's efforts in trying to unifying the country.

This station is now under the direct control of the party's Publicity Department, and through it most of the important national and international news is sent to listeners throughout the world four times a day, at 9 a.m., 5.20 p.m. 7.50 p.m., and 9.45 p.m. News is also reported in English, Cantonese dialects and Amoy dialect. International events are *interpreted* for ten minutes every day from 8.05 to 8.15 p.m.

An entertainment by the brass band of the National Government is given for ten minutes every morning from 7.50 o'clock in order to ascertain the militant spirit of the people. The doctrines of the late Dr. Sun Yat-sen, which formed the highest unwritten law of the Republic during the period of political Tutelage, are explained on every Tuesday, Thursday, and Saturday morning, from 9.45 o'clock, and lasting for twenty minutes. From 10 o'clock on every Monday morning, programs and speeches made at the Sun Yat-sen Memorial Service held at the auditorium of the Central Kuomintang are broadcast to the whole country. Most of the national leaders, like General Chiang Kai-shek and Wang Ching-wei, the military and political chiefs of the Government respectively, often spoke directly to the people through the microphone placed in front of the platform at the Central Kuomintang auditorium.

A Varied Program

Other items included in the daily program extending from 7.30 a.m. to 10.00 p.m. included the meteorological conditions throughout the country, the exact time, market conditions throughout the country, lessons on contemporary history, on forestry, on pasturage, on hygiene public and private, on children's welfare and family, on law and citizenship, on modern science and radio, on mass education and scientific news, the "Peiping theatricals," the national music, Cantonese music, and European music. With a more complete program than all other stations in this country, the Nanking XGOA can be heard throughout the world, and is considered one of the world's chief broadcasting stations.

The Nanking station was the largest in Eastern Asia when it was established in 1932, and now is still the largest in this country. In the permanently disturbed province in Western China, Szechwan, reports and musical presentations are put on the air from the station XGOS erected a year ago at Chungking, the important business town on the Upper Valley of the Yangtsze River.

The Chungking station is one of the secondary stations in China, being rated at 1,000 watts and operated on a frequency of 711 kilocycles. Sound from this station can be heard in all the provinces surrounding Szechwan, and as far as Anhui and Shantung. This station was under the control of the local government there.

Equal to the power of the Chungking station are XGOH at Changsha (Hunan Province), the station XGOE at Yungning (capital of Kwangsi), the station XGOK at Canton, the station XGOF at Foochow, and the station XGOD at Hangchow. All these secondary powerful stations were established by either the central or district government authorities.

In the French Concession, the International Settlement, and the district under Chinese control of Shanghai alone, there are now forty-eight stations, all small private, or commercial stations. The interference at Shanghai is big, and therefore nothing satisfactory can be received by any kind of machines there. It is the intention of the Central Kuomintang to erect a new powerful station at Shanghai to "pacify" the tumultuous situation in the international port.

There are two stations at Soochow, five at Wusih, one at Changshu, two at Changchow, one at Kaoyu, one at Wuhu, one at Nanchang (capital of Kiangsi), one at Kaifeng (capital of Honan), two at Tsinanfu (capital of Shantung), one at Tsingtao, two at Tientsin, one at Tunghsien, five at Peiping, one at Tinghsien, one at Taiyuan (capital of Shansi), one at Yunnanfu (capital of Yunnan Province), two at Canton, one at Hongkong, one at Ningpo, two at Hangchow, three at Chiahsing, and one each at Huchow and Chuching. The fact that most of the stations were crowded in the Southern Kiangsu area was explained by the fact that the educational work was most successful in this area.

The calling letters of the important stations at the various provincial capitals, other than afore-mentioned, are XGOC (Nanchang), XGOX (Kaifeng), XGOF (Tsinan), XOTY (Taiyuanfu), and XGOE (Yungning) respectively.

Only One Station Under Communications Ministry

Among the 92 stations in China, only one station is under the complete control of the Ministry of Communications at Nanking. That is the Peiping station, XGOP. XGOP was established in 1928 with an American transmitter of 100 watts, and operated on a frequency of 950 kilocycles. All the other stations in China are either under the control of some other Government or Party authorities, or under that of private enterprisers.

In the Legation Quarter at Peiping, a British merchant started broadcasting one year ago, following simply getting a permit from the British Consul there. It was not licensed at that time by the Ministry of Communications of Nanking, because it is in the Legation Quarter. Quite recently, the station was purchased by the National Government, but the right of operation was immediately leased to the same British merchant of the Hirsbrunner's Music Store. Its letters are XOMO. Though Nanking has the right of preventing any undesirable program, the station is only nominally under the Ministry of Communications' control, while the actual operation is still in foreign hands.

The station XGOC at Nanchang was established by the Nanchang headquarters of General Chiang Kai-shek to assist in the suppression campaign against the Kiangsi Communists. It is now still under the control of the military headquarters there. This station has a strengh of 500 watts, and a frequency of 1130 kilocycles. It specializes in propagation news concerning the anti-Communist military and political campaign, the broadcasting of General Chiang Kai-shek's New Life Movement principles, and promulgation of the Generalissimo headquarters there. Nanchang has been the starting point of one phase of contemporary China's rejuvenation movement, and therefore broadcasting from this station was welcome to many listeners in this country.

The station MABS is under the control of the Association for Promoting Mass Education at Tinghsien, near Peiping. Tinghsien now is the centre of China's Mass Education Movement as far as the experimental work of it is concerned. Now in all the villages inside the district, loud speakers were installed and all the country folk enjoyed the interpretation of new ideals, and presentation of national and Cantonese musicals there.

The Central Kuomin Tang has three stations under its direct control. Apart from the Nanking station XGOA, the newly installed Hopei Station, XGOT, and the Foochow station, XGOF, are also controlled by the party headquarters.

Besides all these official stations, there are still 14 stations under the control of the various respective district governments.

One word must be added in presenting to my readers the whole picture on the radio broadcasting situation in China. Many have learned about the "undeclared war" between China and Japan at Shanghai, along the Great Wall, and in Manchuria. But none seem to have secured any idea regarding a perfectly veiled

chapter of the same story of "undeclared war." That is the "ether war" now furiously raging in Manchuria.

Being Chinese in nationality, and furthermore, being formerly migrated from China Proper, the 30,000,000 Chinese in the Northeastern Four Provinces naturally were inclined to "hear" something from their mother country through the least challenging course of radio. For two years in the past the Nanking station as well as the Peiping station could be clearly heard throughout Manchuria. The Chinese in the Northeast were much delighted in getting into intimate touch with the dreamy songs of Soochow and the sensual hymns originated from Canton. But this led to the displeasure of the Japanese military authorities there.

A station much bigger than Nanking's XGOA was established at Changchun last autumn by the Japanese in order to propagate the "Kingly Way" and the various Manchurian "consolidation" programs. This station has a strengh of 100,000 watts, and was operated on a frequency of 555 kilocycles.

Only a certain extent of interference was achieved by this big station, however, as showed by later developments. Chinese residents in Manchuria still wished to listen to the speeches made at the Sun Yat-sen Memorial Services at Nanking every Monday. As a result, a destructive device was placed somewhere in South Manchuria two months ago by the Japanese in order to let the new device to perform its sole duty of blotting out all sounds broadcast from inside the Great Wall. But at the same time unfortunately, the broadcasting from the Changchun station was also reduced to naught. For four hours every evening from six to ten o'clock, nothing could be heard throughout Manchuria from any station in the world. This is the present status of the "radio warfare" in Manchuria. Keen observers like the writer himself are watching the development with full attention.

Peiping, January 15, 1935.

Missionaries Win the Martyrs' Crown

(Christian Century, Chicago, Dec. 26, 1934)

Of last week's news the most shocking was undoubtedly the despatch telling of the murder by Chinese bandits of two American missionaries, who with their two month old daughter had been kidnaped from the mission house of a village near Tsingteh. Mr. and Mrs. John C. Stam were graduates of the Moody Institute of Chicago and worked under the auspices of the China Inland Mistion, conservative missionary body whose representatives were in no way involved in Chinese politics as was asserted in the speech of their executioner to the villagers called to witness their death. The latter stories of their fate tell us how Mr. Stam besought their captors to release his wife and child while he went on with them to whatever fate they had in store for him. And Mrs. Stam's last thoughts were for the safety of her child into whose clothing she pinned what money she had with her. The manner of their death was unspeakably horrible—partial decapitation by a swordsman before a watching crowd. It is to the credit of American church bodies that they have not stained the purity of this martyrdom by raising any cry for vengeance. Of course the state department will demand, as it should do, that the Chinese government make every effort to bring the murderers to justice. The Chinese government has no control over large areas that would normally be under its jurisdiction. Church people in America will not blame China and the Chinese people as a people for this brutal tragedy. It is noteworthy that just before the execution a Chinese Christian of the little village in which this horror took place knelt before the captors and interceded for their victims. He was arrested and he may later have been executed. The missionaries are not seeking martydom, yet they do not flinch from it. If it proves that the Chinese merchant who interceded for Mr. and Mrs. Stam paid for his devotion with his own life, he will be honored equally with the missionaries. His deed must confound those who question the worth of missionary enterprise in China.

Corruption of French Press Laid Bare in Stavisky Inquiry Report

The instances of corruption and secret subvention of the French Press shown up by the evidence in the Stavisky inquiry led the commission to charge M. Boully, one of its members, to investigate and report. His report was recently issued in Paris. Examining the influences to which the French Press is subject, he declared that the three principal offenders are financial circles, advertising agencies, and the State itself. The first, he says, are often men or groups who make use of the Press to further their own often dubious schemes; next come agencies which sometimes impose their own policy on the editorial department in exchange for the advertising they buy; and, finally, the contribution of the State comes from the secret funds of the Ministries of the Interior and of Foreign Affairs. Referring to those funds, he says that they are sometimes used to obtain material help such as editorial support for a loan, a conversion, or a lottery, sometimes they buy moral support. Thus it may happen that one and the same newspaper is receiving money both from a gang of swindlers and from the Government of the day.

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China's Unpreparedness for the Coming World Crisis

BY PAUL K. WHANG (汪仲芳)

THE long heralded "1935-1936 Crisis" has cast an ominous shadow over the whole world. On this pretense, Japan, "Tough Guy of the Far East", has mortgaged her future for making war preparations. Her 1935-1936 budget, the largest peace-time budget of Japanese history, has been set at Yen 2,190,644,938. The figures revealed that Japanese military expenses have increased for the fifth successive year. In the last budget before the Manchurian Incident, that for the 1930-1931 fiscal year, the army and the navy combined had Yen 442,859,000. But in the 1935-1936 budget, they are to have Yen 1,021,470,000. Thus Japanese military expenses have grown by 130 per cent since the Manchurian Incident.

This military preparations made by Japan has placed her neighbors on tenter-hooks. Thus Soviet Russia has left no stone unturned in fortifying her position in Siberia, and the United States has rushed the building of new warships up to the treaty limit. The Far Eastern peace will continue to hang in the balance, so long as the Japanese militarists are determined to realize their wide dreams and to bring the whole world into their conquest. In view of the relaxation of the tense situation in Europe as a result of rapprochement between France and Italy, we are inclined to believe that the danger spot of the world now lies in the Far East. It is ironical that an ocean which bears the name of the Pacific should be surcharged with an atmosphere of war scare and great uncertainties.

If and when that storm comes, China, being the next-door neighbor of Japan, will be the one who suffers the most. In the name of military necessity Japan will infallibly seize all the sea-ports along the China Coast and force China into becoming her ally. Unless China is militarily strong enough to resist the Japanese advance, she will be in a hopeless and helpless position to maintain neutrality and have to follow the dictates of the Japanese militarists. Thus China's fate has been plainly written in black and white, and even the laymen can tell you what will become China if the next World War actually comes.

Should China Resign Herself to Fate?

Is it right that we should resign ourselves to the inevitable Fate, when we can still have time to save ourselves? Since the Manchurian Incident, many of our far-sighted people, either in their speeches or in their writings, have repeatedly warned our government officials of our unpreparedness to meet future eventualities. Can these warnings be said to be nonsensical talk? But now even the officials themselves have professed the gravity of the Far Eastern situation and China's unpreparedness. Gen. Yang Chieh, who headed a Chinese military mission on behalf of the National Government, 1933-34, visiting Europe and the United States, in a speech recently given at the Nanking Y.M.C.A., asserted, "China is the least prepared for the second world war and she should be helpless in case an international conflict broke out." He further stated that because of the horizon in Europe and the Far East, China should immediately mobilize her national forces to prepare for eventualities if she hoped to survive the present international political storm.

Wang Ching-wei, president of the Executive Yuan, at a recent weekly memorial service, spoke in the same vein. He declared that with the next great war looming on the international horizon, various foreign Powers were endeavoring to preserve peace in their own countries on the one hand and to violate peace in the Far East on the other. After describing the deplorable unpreparedness of China, the President of the Executive Yuan urged the nation to endeavor to improve her position with a view to the new international conflict. "In the present circumstances", Mr. Wang pointed out, "it is doubtful whether we shall have another year's time after 1935 in which to make preparations against the impending world disaster. Our one aim should be to save the nation with the utmost effort and perseverance, as long as she exists."

Gen. Yang and Mr. Wang have both told us that military defense is the imperative need of the moment. They have been frank enough to reveal publicly our deplorable position without mincing the words. One can not help wondering that if they know the international situation so well, why do they not lend their influence to initiating and introducing some measures to strengthen the position of their country? It must be noted that Gen. Yang holds no lower military positions than vice-chief of the general staff and dean of the Central Military Academy, while Mr. Wang holds the similar position as premier in many other governments. If they can see the imperative need of the moment, why do they not do something for their country ere now?

The duty of safeguarding the interests of the country rests with the military and civilian officials and not with the people. It is especially tragic to observe that while our military expenses eat up more than half of our yearly revenue, we are still unprepared to defend our territory and resist a foreign foe. If our army can not be depended upon for national defense, why should we forego all other necessities by upkeeping such a luxury? Our position would not be a bit worse, if we had not a single man in arms along our frontiers. In that case, we can save a large amount of unnecessary expenses, which can be diverted to many other useful purposes of reconstruction and rehabilitation.

We can not build up a strong military defense, so long as the control of our army is divided among the provincial military chieftains and the allegiance of soldiers is pledged not to the nation but to the individuals. Judging from the numerical strength of our army and ratio of our military expenses to our national revenue, we should be able to build up, so to speak, another Great Wall to defend our territory. But the events following the Manchurian Incident have conclusively proved that how unprepared we have been in face of the modern warfare.

The lesson we have learned from the Manchurian Incident has not yet been bitter enough to do any good to our country. Up to the present time, the country is still as divided as ever. For more than three years, a peace and unification movement has been on foot to bring Nanking and Canton into closer rapprochement, but leaders of the rival factions can not yet sink their political differences and personal prejudices. The rival military leaders, instead of turning their attention to the problem of national defense, have busily engaged in preparing themselves for a major civil war, which can be only averted if the present peace and unification talks can be brought into a successful conclusion. It will be futile, therefore, to talk about national defense, when a united front is still in the making.

The Most Important Issue

It seems to me that the most important issue at the present time, so far as China is concerned, is the unification of the country. When the country is unified, then we can be in a position to turn our attention to the problem of national defense. But it must be remembered that a strong national defense can not be built up, if the army is still controlled by the provincial military chieftains. In this regard, it has been long suggested that all the provincial armies should be controlled by the National Government. The carrying-out of this suggestion is, of course, not an easy one, inasmuch as the provincial warlords have utilized their personal armies as tools to fortune and fame. But when the Central Government is in a strong position, its authority is not likely to be challenged by the recalcitrant provincial warlords.

Therefore we are far from being able to make preparations against the impending world disaster. Although the prospect of rapprochement between Nanking and Canton seems to be brighter than before, yet it is doubtful if the actual rapprochement can be realized before the end of this year. If the leaders of rival factions still entertain mutual suspicions and fears and can not forget their personal prejudices, no human efforts can bring them into collaboration and the unification of the country will remain "a castle in the air".

Our people have not been oblivious of the precarious position our country has been in, and the sense of insecurity has driven them to pray for peace and unification always and all the time. At one time they have even gone to such an extent as to promote an Anti-Civil-War movement with the object of outlawing civil strifes and ushering in a new era of peace, whereby the country can rebuild itself and make preparations for future eventualities. The fact that our neighbor has been making such feverish preparations for war has made our people all the more restless, for they have learned from their experience that the Japanese militarists will not be satisfied with the annexation of Manchuria and Jehol only. They have lamented their powerlessness to save the fate of their country, when many of the government officials have been so selfish as to place personal interests above national welfare.

It is their hope that with the Far Eastern situation becoming graver than ever, the leaders of rival factions will become more conciliatory toward each other, so much so that unification of the country can be realized at the long last. With "the big bad wolf" looking at us with covetous eyes, we must turn our attention to the thoughts of national defense, no matter whether the "1935-1936 Crisis" will come or not. God helps those who can help themselves!

The Chinese in Japan

BY B. HAIKO

(From "Japan in Pictures," Tokyo)

THE Chinese have been labelled by Westerners as an inscrutable race. The truth is that they are not so much inscrutable as they are immutable.

There are living in Japan to-day nearly 20,000 Chinese in various walks of life. A small minority of this alien population consists of transient residents such as government service men, students, and possibly some tourists and visiting businessmen. The great majority, however, is composed of more or less permanent residents of Japan, not a few of whom have been settled here for generations.

No matter how long these residents may have lived in this country, however, they have characteristically withstood the influence of their surroundings just as their forebears did in the days when the Great Wall was thought an impregnable barrier to the penetration of barbaric forces. Neither affinity of language nor kinship of customs have been able to batter down Chinese immutability and pride. If there were giants on earth in those days, they themselves are the chosen giants of to-day. And so with this vanity and disdain, they live complacently in the delicate if not crumbling shell of the past. Their philosophy is "What was good enough for our grandfathers is good enough for us."

Of the 20,000 Chinese in Japan, a little over half the number are actually engaged in professional work, the rest being dependents, including some 200 odd persons out of work. Though there are Chinese Chambers of Commerce in the leading commercial cities, organized by the more important businessmen, the Chinese influence in Japan falls far short of the strength it has elsewhere abroad. Naturally, the Chinese live among themselves almost in seclusion. There are, in the leading cities of Japan, Chinese quarters; but there is hardly any "Chinatown" like those in San Francisco, New York, Melbourne and Sydney, or like Limehouse in London.

The laboring class heads the statistical list with nearly 5,000 who are preponderatingly cooks and barbers. Westerners who have been in the East for an appreciable length of time generally develop a strange affection for Chinese cooks and houseboys as well as for Japanese amahs, who are known as capable workers and faithful servants. Most of those employed in Japan are Shantung and Hopei Chinese. A large proportion of these, together with a number of Cantonese, are engaged in the restaurant trade, which appears to be a profitable one. The larger cities such as Tokyo, Yokohama, Osaka and Nagasaki, are full of restaurants serving Chinese food. Most of them are small establishments, but not all are Chinese, as their food testifies!

There is also a fair number of dressmakers who are doing a flourishing trade because most of the Chinese women in Japan still cling to their native garb. The tailoring trade is almost a monopoly enjoyed by the Chekiang-Kiangsu people, who are reputed for their artistic handicraft. Practically all the Chinese tailors and dressmakers in Japan come from these two provinces.

The Chinese commercial geniuses go about their business quietly and unobtrusively even though the next door shop may be on fire. The 2,000 engaged in the cotton goods trade have their connections in China, especially Shanghai, which is the emporium of China's cotton wares as of other commodities. Needless to say, they are mostly located in Osaka, the centre of the Japanese cotton industry. Vermicelli dealers come second on the commercial list.

Despite the estrangement between the two countries, Chinese students still maintain a large number (over 1,000) in Japan, mostly advanced students in the universities. Some 4,000 working Chinese are classed under the general category, including the 1,000 odd students. Banks and commercial firms, both Japanese and foreign, are responsible for the employment of 2,600 Chinese in various clerical capacities. There are two dozen amusement artists, mainly magicians, who are always in demand.

The Chinese in Japan are found in at least fifty different cities, but there may be residents elsewhere not listed in the records. A total of 14,000 Chinese (one-fifth women) live in the five cities where they most abound—Tokyo, Kobe, Osaka, Yokohama and Nagasaki.

The Chinese population of Japan are law-abiding and of an exemplary character. They are unobtrusive and mind their own business. They are industrious and lead a frugal life. Though somewhat conscious of a certain humiliation, they do not rub their Japanese neighbors or associates the wrong way; nor do they harbor any malice or ill-will.

On the other hand, however, it is most assuredly a pity that they have not learned two of the priceless assets of the Japanese people—efficiency in work and courtesy to customers. Business efficiency means not only the successful adoption of modern methods, but also the application of the principles of personal and public hygiene. Courtesy, for which the Chinese people are universally known is—strangely enough—sadly wanting in many of those, particularly the lower strata of tradesmen, with whom one usually comes in contact.

It would neither injure their national pride nor jeopardise their personal interests if our Chinese friends were to bring themselves to go one better than their grandfathers.

CUSTOMS NOTIFICATION No. 1423

In accordance with the regulations, all firms registered with the Customs and all Customs brokers must re-register annually during the month of January. Firms and Customs brokers are hereby warned that, if they have not re-registered by the end of January, they will have to complete all the formalities of new registration.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 18th January, 1935.

CUSTOMS NOTIFICATION No. 1424

The public is hereby notified that, in accordance with Government instructions, on and after the 12th January, 1935, all raw cotton which has already paid interport duty will, upon re-exportation coastwise after press-packing, be passed free of duty according to the original weight.

H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 21st January, 1935.

The New Nanking*

BY LAI LIEN.

Secretary-General of the Municipality of Nanking.

Nanking is not only the largest city in China but it also enjoys unrivalled geographical advantages with the Yangtsze River to the North and mountain views that afford scenic beauty of a high order. In praise of the geographical features of Nanking, Dr. Sun Yat-sen had this to say: "Nanking possesses an ideal location, it has high hills, it has deep waters, and it has plains. Here we have a combination of three advantages, all the work of Provindence, the like of which could hardly be found in any other capital city in the world. Nanking is also fortunately situated in the lower reaches of the Yangtsze and is the key-city of fertile areas on both banks of the river... It is hard to fortell the extent to which the city could be developed." Since the so-called Six Dynasties, the city had been made the capital on no less than ten successive occasions, an honor which lasted four and a half centuries. Once more it regains its former glory as the Capital of China by a decree of the National Government, dated June 21, 1928.

Mr. Lai Lien

With the establishment of the National Capital here, people began to pour into the city. House provision, daily supplies, and means of communication and transportation have been miserably inadequate and insufficient. There was no water service, nor any sewage system. The city widely known for its dim electric light, narrow and uneven roads, and poor telephone service had been taken by surprise and found itself suddenly confronted with a serious problem pressing urgently for solution. It is, therefore, no small task which faces the authorities to transform the rapidly-growing city from a veritable rus-in-urbe into a modern capital with public utilities and services befitting the political center of the country.

During the past two years, twenty new roads having a total length of 83,869.92 meters have been constructed by the Bureau of Public Works of the Municipal Government.

Aside from constructing new roads, the Bureau has looked after the repairs of 110,596 meters of asphalt roads, gravel roads, sidewalks, etc. The monthly expense for road repairs is $10,000. An approximate sum of $200,000 has been spent every year on the repairs of bridges, opening of city gates, building of public lavatories and the construction of municipal residences at several places, the most notable of which is the beautiful new Residential District in the northern part of the city. The best proof for the rapid growth of the city is seen in the increasing capital invested in the construction of the public and private buildings, as shown in the following table:

1931	$7,149,495
1932	$3,911,352
1933	$5,059,369
1934	$8,555,363

In conservancy work, the Bureau has dredged the Chien Hu canal, the canal outside of the Shu Hsi Gate, constructed a dyke at Pa Kwai Chow and planned the construction of an embankment at the first commercial and industrial district at Hsia Kwan.

Ranking first among many lines of public utilities is, probably, the waterworks. The first city waterworks company was inaugurated in April, 1933. There are more than 111 kilometres of water pipes installed and more than seventy waterstands selling city water to inhabitants who install no pipes. The average daily output at present is 11,830 tons of water. City water is becoming more and more popular and has lessened the attack of summer epidemics considerably. Approximately $4,000,000 has been spent on the waterworks.

If educational facilities and opportunities can be offered to a large majority of the people, the constructive work of a city may naturally be accelerated. Public primary schools two years ago numbered 39 with 309 classes and 13,300 students but now they number 41 with 407 classes and 19,600 students. In addition thirty-three "simple" primary schools, or free schools, with 142 classes have also been established. Thus there are at present 550 classes with 25,335 students, representing an increase of almost a hundred per cent within the last two years. In order to promote mass education there have been established ten day-schools and twenty eight night-schools for adults and one educational institute for the farmers of Pa Kwai Chow. The Municipal Government has now established some thousands of scholarships for poor students in primary schools, middle schools and universities. Consequently educational expenditure is much higher than it was two years ago. We now spend approximately 460,000 per month on education.

The Municipal Government also pays much attention to public health. The program has proceeded smoothly, and rapid progress has been achieved. Hospitals maintained by the Government have given admittance to thousands of patients during the last year. 3000 upwards of opium addicts have been admitted to the municipal hospitals for the curing of the drug habit. Free medical attention has been given to 221,273 patients.

115,000 or more anti-typhoid injections were given during the last year. 76,279 citizens were vaccinated by the municipal hospitals, and 7,708 anti-diphtheria injections were recorded.

Child welfare is also receiving much attention from the municipal health authorities. 6,830 or more expectant mothers went to the said authorities for examination. Physical examination was given to 2,871 babies. Seven graduating classes have already been turned out by the municipal midwifery school.

A Ricsha Co-operative Society is under organization. According to our plan the Society has the responsibility to watch the tax on ricshas. It has been discovered that the municipal tax on the ricshas is unusually high. Despite the desperate financial state of the municipal treasury the Municipal Government has been seriously studying the problem of how to reduce the ricsha tax so that the pullers will be benefitted, not the hongs. Besides, every puller is to be enlisted as a member of the Society. Once enlisted, he will be compelled to save so that at a definite time he may be able to own a vehicle himself. In addition, the Municipal Government is also requiring the two bus companies to raise their fares so that short distantce travellers would prefer to ride in ricshas rather than to travel on buses, thus giving more business to the pullers.

Still another thing that I can not help mentioning is that the Municipal Government has been strenuously carrying on the national goods movement and has invested $20,000 in the Nanking Chinese Goods Company, the total capital of which at present amounts to $100,000.

The adjustment of land is also the big work of the Municipal Government. A Land Registration Bureau and a Nanking Land Value Estimation Committee have been simultaneously set up for performing the heavy task of surveying, registering of land and estimating the value of land.

Another type of work which is now being undertaken by the Municipal Government is the suppression movement of opium smoking, gambling and prostitution. I hope that missionaries and public welfare institutions will cooperate with us in eradicating these social evils from the life of the Nanking people.

*Summary of a speech delivered at the Rotary Club, Nanking, December 27, 1934.

Permits for Import of Radio Sets to Be Issued

The Ministry of Communications has authorized the telegraph bureaus at Shanghai, Tientsin, Tsingtao, Chefoo, Chinwangtao, Chinhsien (Ningpo), Yungchia, Foochow, Amoy and Santuao to grant permits (Hu-chiao) for the import of radio receiving sets and equipment in accordance with the newly revised provisional measures governing applications for permits. Permits for the import of radio sets and accessories for military use and broadcasting equipment, however, will not be granted by the Bureaus.

Shanghai International Settlement Has 7,503 Passenger Autos

A report in the Shanghai *Municipal Gazette* shows that there are 6,983 private and 520 public automobiles in use in Shanghai. There are 1,185 motor trucks in private use and 871 motor trucks in public use, in addition to 164 omnibuses. The Ford car heads the list with 1,118 passenger vehicles and 514 motor trucks. The British made Morris car totals for its various makes 705, followed by the British Austin, 610. Figures for leading American passenger cars are: Buick, 604; Chevrolet, 572; Studebaker, 307; Dodge, 262; Chrysler, 163; Packard, 50. Among the motor trucks are; Chevrolet, 171; Stewart, 153; Studebaker, 125; Reo, 93.

Who's Who in China

Chao Nai-chuan, Government offiical and educationalist; born at Hangchow, Chekiang 1890; graduated from Peiping Normal University, 1913; instructor at Peiping Normal University, 1913-20; entered Teachers' College of Columbia University, 1920; upon graduation with B. S. degree he took post-graduate work in Columbia University; after obtaining M. A. degree, he returned to China and became professor and concurrently head of publications department of Peiping Normal University, 1922; professor of Peking Teachers' College for Girls and China University and editor of the *New Educational Weekly Review*, 1925; secretary of Board of Trustees of the China Foundation for the Promotion of Education and Culture and concurrently professor of Peiping Normal University, 1926; appointed secretary of Third National Chun Shan University at Hangchow, 1928; later became division head of Ministry of Education and concurrently professor of National Central University; promoted councillor of Ministry of Education, 1929 and in the winter of 1930, he concurrently acted as chief secretary of Ministry of Education; member of Legislative Yuan, professor of National Central University and technical member of Commission on Amendment of Administrative Laws attached to the Central Political Council since 1931; writer on educational subjects; address: Legislative Yuan, Nanking.

Chao Nai-chuan

趙 迺 傳

趙迺傳，現年四十五歲，浙江杭州市人，民國二年國立北平師範大學畢業，留任本校教授，九年，留學美國哥倫比亞大學教育學院，翌年，畢業，授學士學位，續入研究院研究，十一年，授碩士學位，是年返國，任國立北平師範大學教授，兼出版部主任，十四年，任國立北京女子師範大學及私立中國大學教授，兼主編新教育評論週刊，十五年，任中華教育文化基金董事會秘書，旋調教育部科長，並兼中央大學教授，十八年，調任參事，旋兼教育部主任秘書，二十年，國民政府簡派爲考試覆核委員，旋調任立法院委員，仍兼任中央大學教授，及中央政治會議行政法規整理委員會專門委員，所著關于教育問題之論文甚多，通訊處：南京立法院。

H. E. Arnhold Says China Needs a Scientific Tariff

Speaking at the annual general meeting and dinner of the China Centre of the Institution of Electrical Engineers, held at the Shanghai Club, Jan. 18, H. E. Arnhold, Chairman of the Shanghai Municipal Council, spoke of the financial aspects of present day China; he referred particularly to transportation, agriculture, and industrialization. He pointed out that purchasing power depended on an improvement in productive capacity, and this again depended on improvement in transportation, which would allow development of those products she was best able to produce within her own borders. Referring to Britain's high tariff, which brought her with it an inflow of capital through new plants, Mr. Arnhold pointed out that China's present financial measures were tending to discourage, by discrimination against industries not of purely Chinese ownership, the further inflow of necessary foreign capital. Mr. Arnhold closed with the remark that if industries were to thrive in China, she would have to have a more scientific tariff, more foreign capital and a guarantee against the devaluation of her currency.

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Men and Events

J. A. E. Sanders-Bates, of The University Press, Shanghai, has been elected a Fellow of the Royal Society of Arts, London.

Another group of 21 Chinese deportees arrived in Shanghai from Japan this week, bringing the total arriving in Shanghai since September last year up to 224.

Prof. Stanley R. Townsend, member of the faculty of the American School in Kuling who has been visiting in Shanghai for several days, departed for Peiping this week.

Judge Miton J. Helmick of the U. S. Court for China, spoke on "Some Drifts in American Law," at the American University Club tiffin Jan. 23 at in the American Club.

Signor Vincenzo Lojacono, the first Italian Ambassador to China, was scheduled to arrive in the Capital Jan. 23 and formally present his credentials to President Lin Sen at 11.30 a.m. Jan. 25.

Judge and Mrs. Helmick of ths U.S. Court were hosts on Sunday afternoon at a farewell reception in honor of Colonel and Mrs. Julian Willcox who are departing from Shanghai shortly.

A party of 150 women, members of the Garden Club of America, will visit Japan next May for the purpose of inspecting Japan's famous gardens. They will remain in Japan for a period of sixteen days.

A recent Nanking message stated that the Turkish Government has intimated its intention to send an envoy to China soon, probably sometime in June, after which a legation may be established in Nanking.

Yasushi Hayashi, second secretary of the Japanese legation at Peiping, has been appointed chief of the first section of the so-called Culture Bureau, recently established in the Tokyo Ministry of Foreign Affairs.

Dr. Alfred Sze, Chinese Minister to Washington, was the only diplomat present as a guest at the annual banquet of the Alfalfa Club in Washington, Jan. 20. Dr. Sze was seated at the right hand of President Roosevelt.

The Pan-Pacific Association's tiffin meeting scheduled for January 29, has been postponed to Friday, February 1, at 12.15 p. m. at the Astor House Hotel, Grill Room, at the request of the speaker, Julean Arnold.

A son was born to Mr. and Mrs. F. R. Diebold of 207 West End Gardens at the Country Hospital in Shanghai Jan. 15. Mr. Diebold is connected with the Eastman Kodak Co. Mrs. Diebold, before her marriage, was Miss Mary Opal Powell.

The death occurred in Formosa early this week of Kwik Djoe-neng, popularly known as the "Sugar King of Java." In past years he spent over $10,000,000 on the Hongkong waterfront, where he built godowns and docks. Deceased was in his 70th year.

Major C. P. Holcomb, long a practising attorney in Shanghai, has announced his early departure for the United States where he will establish an office in Washington, D. C. and at Wilmington, Del. Major Holcomb will also serve as representative of the American Chamber of Commerce of Shanghai, in Washington.

Wang Hong Nien, Chinese Consul-General at Yokohama, published a notice in the *Japan Advertiser* on Jan. 16 stating that passport visaes for entrance into China would not be legal unless they bore Chinese consular service stamps, the denominations of which run from 25-cents to $10 in American currency.

G. B. Sansom, commercial counselor of the British Embassy in Tokyo, has accepted an invitation to deliver lectures at Columbia University in America. Mr. Sansom has been in Japan for about 30 years and is an authority on things Japanese. He will leave for home on furlough early in May and will visit America en route.

G. Findlay Andrew was scheduled to address the North China Branch of the Royal Asiatic Society, Shanghai, January 24, on "Men and Matters in the Land of the Yellow Earth." Prof. William F. Bade will speak on "Excavating a Buried City of Palestine" before the Society Jan. 28., at 5.15 p.m.

Wang Ching-wei, President of the Executive Yuan, had a lengthy talk with Koo Cheng, manager of the Kailan Mining Administration, and O. S. Lieu, General Manager of the China Merchants' Steam Navigation Company, at his official residence in Nanking Jan. 21, concerning the condition of said two companies.

The entire edition of the *Japan Chronicle* for Sunday Jan. 13 was suppressed, because, as the *Chronicle* explained Jan. 15, a brief *Reuter* telegram from Shanghai which, on a very comprehensive reading of a somewhat ancient embargo, could be regarded as possibly violating that embargo. The *Chronicle* says its paper seems to be discriminated against, as some time ago an issue of the *Chronicle* was suppressed because it contained an article by Edwin James, editor of the *New York Times*, reprinted from that paper. Both the *Japan Times* and *Japan Advertiser* reprinted the same article with impunity.

The Winter Vacation of the University of Shanghai will commence Jan. 18, according to an announcement made by President H. C. E. Liu. The College entrance examinations will take place on February 1 and 2; and of the Middle School on February 6 and 7. The opening date for the Spring Term has been set for February 8.

The sixth annual general meeting of the National Child Welfare Association of China will be held at the New Asia hotel, Shanghai, Jan. 26 at 2.30 p.m. Dr. H. H. Kung will preside. Reports will be made by Jabin Hsu and Ling Kong-hou. Dr. C. T. Wang, Dr. Tsai Yuan-pei and Hon. Hsiung Hsi-ling will make speeches.

Dr. Ivan Lee Holt, chairman of the Federal Council of Churches of the United States and Canada, will arrive in Shanghai shortly where he will serve for a period of several months as the pastor of Community Church. Dr. Holt will then proceed to Australia to attend the centennial celebration of the Methodist church in Australia.

John Carter Vincent, American Consul at Dairen, has been ransferred to Nanking where he is scheduled to arrive about March 1. Mr. Vincent has had extensive experience in the Far East, having served at Shanghai, Hankow, Swatow, Peiping, Tsinan and Mukden. He was in Mukden at the time of the Japanese occupation in 1931.

Dr. James Haughton Woods, former professor of philosophy at Harvard University, died of apoplexy at the Imperial Hotel, Tokyo, on Jan. 14. Dr. Woods, accompanied by Mrs. Woods, arrived in Japan last December to deliver a series of lectures at Japanese universities. He was for many years a student of Oriental philosophy and religion.

Adolf Exner of Munich and Sigismund Freiherr von Brattee of Berlin were visitors in Shanghai last week on their way round the world. Both have been students at Columbia University, N. Y. on an American-German student exchange arrangement. After inspecting conditions in China they are planning to return to Germany by way of India.

The *Chekiai* Agency says it is ascertained that the China Inland Mission does not intend to claim any indemnity in connection with the murder of Mr. and Mrs. Stams at the hands of the communist-bandits. It is believed, however, that the Nanking Government, out of humane consideration for the pitiable lot of the daughter of the victims, will make a compassionate grant in due course.

The Japanese Foreign Office on Jan. 15 issued a statement denying that Emperor Pu-Yi of Manchukuo had been assassinated, was ill or had divorced his wife. According to the Foreign Office spokesman, Pu-Yi was shortly proceeding to Port Arthur where he planned to spend several weeks prior to his trip to Japan. It was stated that Mrs. Pu-Yi probably would remain in Changchun for the present.

William Henry Chamberlin is scheduled to arrive in Tokyo on Februaty 22 where he will serve as chief Far Eastern correspondent for the *Christian Science Monitor*, covering Japan, China and Manchuria. Mr. Chamberlin, who is well known as the author of books dealing with Russia, served as correspondent for the *Monitor* in Moscow for practically ten years. Recently he has been lecturing in the United States.

Frank Hedges, formerly of the *Japan Advertiser*, has been appointed executive secretary of the Press Congress of the World. This organization was founded by Dr. Walter Williams when Dean of the School of Journalism of the University of Missouri. Dr. Williams is honorary president; Robert Bell of New Zealand is president. The next meeting of the congress will be held at Melbourne toward the end of this year.

Five Chinese Murderers Strangled—Attempt on T. V. Soong Recalled

Five notorious murderers who had communistic affiliations and who were arrested in November, 1933, by local Chinese and foreign police forces searching for the men responsible for the attempted murder of T. V. Soong, former Minister of Finance, were executed in the morning of Jan. 19 by strangulation in the Tsaohochin Prison in Tsaokadu. The names of the executed men were Tuan Tze-kwan, Chang Yu-shan, Yuan Yu-fang, Chang Deh-shing, and Tung Chi-chuen. These people belonged to what the Chinese press termed the "Dog-Killing Corps," which was responsible for a number of murders of local Chinese police officers and of Chao Tieh-chiao, the general manager of the China Merchants' Steam Navigation Company.

Although affiliated with Chinese communists, their assassination organization was different from the one to which the men who were arrested a few months ago in connection with the Lester Chinese Hospital killings belonged. The five executed men were sentenced to death on November 7, 1933. Dissatisfied with the judgments, they filed an appeal with the Supreme Court at Nanking, but the appeal was not upheld.

Highway Engineering Courses in Chiao-Tung University

The Chiao-Tung University has been working in co-operation with the National Economic Council in giving a number of courses in Automobile and Highway Engineering. Fifteen students, who had three years of training in Mechanical Engineering before they were admitted to the Automobile Engineering Course, will be graduated next June. The first class of the Highway Engineering Course was graduated last year. Of the nine graduates in the class, all are now working in the different highway bureaus. In collaboration with these courses of instruction, Professor S. P. Huang of the University Research Institute is conducting a series of experiments in motor fuel; and Professor K. C. Yeh, who is also connected with the Chekiang Provincial Reconstruction Department, is carrying on a number of tests on highway construction materials.

First Ford Car Honks in Kweichow But No Radios Yet

The correspondent of the *North China Daily News* stationed in Kiensi, Kweichow province, included the following paragraph in this report date Dec. 28 and published in the *N. C. D. N.* on Jan. 22.

"At last the honk of the motor car has sounded here. A representative of General Wang came in a Ford limousine to inspect the road. The car was able to cross the river 60 li from here by laying planks from the shore to the ferry boat. Two or three trucks which have been purchased for traffic on this line came across the same way. It is declared that there will be a special boat for cars so that there will be through travel to Kueiyang. A car has been purchased by a company of local men, including the Magistrate, and they are having the bus body built on it here. It will soon be ready for use. I fear their activity will be badly hampered by difficulty in getting supplies of gasoline. I do not know what price it is; but owing to military movements in Kwangsi having hindered trade the price of kerosene jumped to over $30 a case. Gasoline is, of course, more than kerosene. So with the terribly heavy drains of the rough roads and hard grades the gas bill will be very heavy. However, we are now on the world's big road. We are still waiting for the radio. So far as I know there is not yet a wireless set in the province. The military have a number of small wireless telegraph outfits and the telegraph department has a fairly good equipment in Keiyaang."

Harris Foundation Urges U. S. to Relinquish Extrality in China

Relinquishment of extraterritoriality in China and abandonment of the Philippines, Samoa and Guam was recommended in a survey made public in Chicago, Jan. 20. by the Harris Foundation of the University of Chicago. The Foundation's recommendations of a policy designed to contribute to world stability characterized the American Far Eastern possessions as a strong element of military weakness. These possessions, the survey said, constitute hostages in the hands of America's potential Far Eastern enemies. Without them, it was concluded, the United States might be able to apply economic weapons if general consultation in a future emergency should indicate such action advisable.

General consultation in connection with the Kellogg-Briand Pact should be substituted for the present Far Eastern consultative arrangement on behalf of the preservation of China's territorial integrity, the recommendations said.

The complete surrender of extraterritorial rights in China was urged, as well as a revision of the United States immigration laws, as a gesture of friendship towards Japan.

U. S. Dollar Highest in Relation to European Currencies

Telegrams from New York and London during the week showed that in terms of various European currencies (including the franc and the pound) the American dollar had risen in price. As against this, the price of the U. S. dollar in terms of the local Chinese dollar was slightly lower.

No Decision So Far on Gold Clause

The U. S. Supreme Court Jan. 21 went into recess without handing down a decision in the all-important gold test cases. Failure of the tribunal to render its ruling means that there can be no decision before February 4. Some observers believe that the action of the Supreme Court in recessing was highly significant, contending that the Court would have handed down its decision Jan. 21 if it had agreed with the Government.

In the United States Court for China

GERALD BARKER OGLE, Plaintiff, vs. MARGARET DOROTHY HIGGINSON OGLE, Defendant.	Cause No. 3788 Civil No. 1748 ORDER Filed at Shanghai, China, This 14 day of January, 1935. William T. Collins, Clerk. by L. T. Kenake, Asst.

The object of this suit is an action for divorce.

WHEREAS, Plaintiff herein, by his attorneys, has this 11th day of January, 1935, made application for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 12th day of January, 1935, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 11th day of January, 1935, the Plaintiff herein filed an amdavit to the effect that the defendant does not now reside in China nor has she resided therein at any time, and that defendant's last known address was 120, 8th Avenue, Whitestone, Long Island, New York;

NOW, THEREFORE, it is this 14th day of January, 1935, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "CHINA WEEKLY REVIEW" Shanghai, China—a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 2nd day of February, 1935, the day of last publication of this Order; otherwise case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 14th day of January, 1935.

MILTON J. HELMICK,

Judge.

JANUARY TO DECEMBER

PINKETTES

THE GENTLE LITTLE LAXATIVE LIVER REGULATORS

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New Books of Interest in the Far East

An Australian Writes on Manchuria

The Manchurian Arena. An Australian View of the Far Eastern Conflict. By F. M. Cutlack. Angus and Robertson, Ltd., Sydney, Australia, 1934. On sale at Kelly and Walsh, Shanghai; $2.25; postage 15 cents. Board cover.

This is a book made up from a series of articles following a special tour of Manchuria in the summer of 1934, published in the Sydney *Morning Herald* and in the Melbourne *Age*. The author traveled as Special Correspondent of the Australian Press Association in the Far East. In substance, the book affirms that Japan in her initial action in Manchuria was not the agressor but was acting in self-defence; that the Lytton Report represents the prejudices against Japan with which Lord Lytton started upon his inquiry; that Manchuria is "Japan's Afghanistan"; that Japan will within twenty years be "the pre-eminent power in the Far East"; and that the situation calls for "review of the League's judgment against Japan, and a reconsideration of Britain's recent Eastern policy." Reconsideration, it might be added, seems to require "recognizing Manchukuo as an initial step."

These opinions rest upon the cavalierly expressed judgment that "the truth is that the authority of the Chinese Republic has been a fiction outside a restricted area in the Yangtsze and mid-coastal region; that Manchuria never was subject to that authority; and that Chinese professions at Geneva have been sheer pretense." These are easy things for an Australian to say—who devotes as many pages to Australia's Interests in this question as he does to American Tourists and to the irrelevant exploits of "One Arm" Sutton in the Yangtsze valley—but Australia is far away from the Manchurian arena. Continent as she is, with her bare six and a half million of population, she nevertheless considers her future safest with a policy of exclusion. China's future too is a consideration not to be ignored. How far does Japan intend to go in Asia? It may be suggested that Australians consider biding their time about recognition.

D. R.

A Trivial Book on the Far Eastern Situation

Japan's Place in the World: by Julian Grande. Illustrated with 16 photographs. London, Herbert Jenkins, Limited, 1934. 254 pages introduction, index. 7/6.

This book is journalistic in type, despite Mr. Grande's attempts to convince his readers to the contrary. He introduces himself thus: "I should much prefer in a book of this sort to exclude all mention of my own ego or personality or even of my career." But he then "presents his credentials" as a journalist in such a manner that one feels "he doth protest to much." His policy of excluding himself might also have been carried to the omission of the fromtispiece in which he appears with the chief of Staff of the Japanese Army and other dignitaries on the roof of the Manchukuo War Office.

The introduction gives a plain statement of the author's point of view: "After spending several months in China, Japan and Manchuria, studying the question impartially and independently, I am satisfied that had the League (of Nations) not meddled in the affair but left it to China and Japan to settle, the two countries would have come to an amicable understanding." With the same modest assurance the author tells his readers that when he submitted his manuscript to various individuals in China, Japan and Manchuria, "one and all they have assured me that I have not wasted my time in the Far East, but that I have grasped the situation and that, on the whole, I have given a fair and impartial pen picture of the countries and their peoples." Surely the Far East is to be congratulated that all its problems can be stated in so short a book.

The value of Mr. Grande's few months' observations become more than a little amusing when he relates "the best joke I heard about the Lytton Commission's visit to China, Japan and Manchuria." As the Commission stood on the bridge of the ship entering Hongkong harbor the captain, an Italian, exclaimed, "My goodness, and you are going to write a report on China after a three weeks' visit. Why, I have been coming to China for the last thirty years and I wouldn't dare to give an opinion about China, let alone writing a report on the country." Mr. Grande's humor stops short of applying the joke to his own case!

Statements of fact are so loosely made in this book that one is justified in questioning the value of its opinions. The author speaks of conversation with "the leading elder statesmen in Tokio." There happens to be only one elder statesman now living, Prince Saionji. The character of this trivial book will be clear enough from its references to the role of the United States. Speaking of Japan—in the words of the author—the idea of western democracy has been "slimed over by corruption on a trans-Pacific model." "Let us (England) refuse to be dragged at the chariot tail of lily white nations not at all distinguished for their dealings at home or abroad with other nations. . ." Without naming it, he refers to the United States as "the land across the Pacific Ocean which consistently whitewashes and favors the Chinese in every Chinese-Japanese controversy." This suggestive hinting and belittling of certain countries makes the book unworthy of serious consideration by those who seek to study Sino-Japanese problems.

F. M. R.

Newspaper Directory of China Issued by Commercial Advertising Agency

China Publishers Directory. Shanghai: Commercial Advertising Agency.

The sub-title of this book succinctly describes its purpose:—"A practical guide to newspapers and periodicals for China advertisers." Accompanying the volume is a newspaper map of China. The general plan of the book is the same as that followed by newspaper directories generally, notably the *American Newspaper Directory*. First of all the provinces are described in alphabetical order, then there is a short description of the cities in which the newspapers are located, and under these there appears a list of the newspapers, also in alphabetical order, together with details as to their ownership, circulation, size, etc. The directory includes both foreign and Chinese publications.

Hongkong, although a British Crown Colony, is naturally included, as some of the most important Chinese papers in South China are published there. The Foreign Settlement of Shanghai is by far the largest Chinese newspaper center in China, as it also is of foreign papers. The notation under the *Sin Wan Pao* reads: "This publication is the most widely circulated paper in China and is the greatest advertising medium."

The proprietor of the China Commercial Advertising Agency, (the publishers of the Directory) is C. P. Ling, whose biography, reproduced from *The Review's* "Who's Who," appears as the frontispiece.

Research Association to Publish Books on Border Questions

A series of publications dealing with China's frontier situation is being edited by the Chinese Frontier Affairs Research Association recently organized by students and faculty members of the Mongolian and Tibetan School under the Central Political Institute.

The first book of the series, entitled "Chinese Frontier Affairs in 1934," now nearing completion, is expected to be off the press shortly.

Why Korea Sank Into an Abyss

Payson J. Treat discusses "China and Korea 1885-1894" in the current *Political Science Quarterly* issued by Columbia University, New York. Mr. Treat closes the discussion by saying that the fact that Korea sank into an abyss of misgovernment and incompetence must be ascribed largely to the mistaken policy of Li Hung-chang and the domineering conduct of his representative, Yuan Shih-kai.

Shanghai Municipality Secures Conviction of 93.9% of All Persons Charged

In his annual report to the Municipal Council of the Foreign Settlement the Municipal Advocate states that 146,605 persons were prosecuted in the Shanghai First Special Area District Court and the Kiangsu High Court, Second Branch, during 1934, as compared with 128,889 in 1933. 103,104 persons failed to appear in petty bye-law cases and their bail was confiscated, as compared with 94,625 in 1933. 664 cases were withdrawn on the ground that there was insufficient evidense to convict, as compared with 1,130 in 1933. The total number of major and minor criminal cases prosecuted to completion was 36,837, as compared with 33,134 during 1933. 34,653 persons were convicted and 2,184 acquitted, as compared with 30,676 convicted and 2,458 acquitted during 1933. In addition to the above, there were 2,561 private criminal prosecutions, 6,161 cases instituted by the Health and Public Works Departments for violation of Health and Public Works regulations, and 8,255 cases instituted by the Traffic Department for infringement of Traffic Regulations, as compared with 2,215 private criminal prosecutions, 6,303 Health and Public Works cases, and 7,973 Traffic cases during 1933. 93.9 per cent of the persons charged during 1934 were convicted, as compared with 93.1 per cent in 1930, 91.4 per cent in 1931, 92.5 per cent in 1932, and 92.5 per cent in 1933.

Japan's Increasing Interest in Siam

According to the *Tokyo Asahi*, the present year is expected to witness a marked improvement in the already friendly relations between Japan and Siam.

Friendship between the two countries received a new impetus when the Siamese delegate in the League Assembly waived his vote when Japan's defence, on the Manchurian issue, was rejected by 42 votes against one in February, 1933. Since the establishment of the present Siamese Government in June of the same year, after a revolution, there has been a rapid growth of friendly relations.

The present Siamese Minister in Tokyo, conforming with the policy of his home Government, which is making special effects to reform domestic politics and to rid the country of Western influence, has been indefatigable in his endeavors to cultivate closer relations with Japan.

On the other hand, Mr. Yatabe, the Japanese Minister to Siam, who has been in his present office already for six years, enjoys the great confidence of the Siamese Government. Last year, that Government engaged Japanese experts in the cultivation of raw cotton and a Japanese professor of agricultural economics. It has also been arranged that Siamese naval officers and cadets should be trained in distant-sea cruises on Japanese vessels.

That country is sending a party of native dancers to Japan in order to acquaint the Japanese public with Siamese art, and is also providing a new organ for the guidance of Siamese students studying in Japan with a view to increasing the number of such students.

Steps are also being taken to import Japanese medical methods into that country. As for Japan, she is ready to give Siam every help ungrudgingly to enable the Siamese Government to achieve the object of political reform. A plan is further afoot to establish an organization aiming at the improvement of public health in Siam.

The Japanese navy is pushing on the plan to carry out a long-distance naval flight to Bangkok. The inauguration of an air route connecting Tokyo with Bangkok, which is a key port in international air communication, is under contemplation by the Japanese Government.

Siamese Officers Arrive in Kobe

Twelve Siamese military officers, headed by Lieut.-Colonel Luang Charlermsakdhi Songram have arrived in Japan. They will receive military training at the Japanese Military Academy in Tokyo, during a period of from three to five years. Siamese officers formerly received advanced training in Germany.

Siam to Send Music and Dance Students to Japan

Negotiations are in progress between the Siam Art Academy and the Japanese Legation in Bangkok, Siam, with a view to enabling a group of Siamese students to go to Japan to study Nipponese dancing and music. The Art Academy plans, it is learned, to provide for the departure of the student group from Bangkok in April. While in Japan, the students are to give a series of Siamese classical dance and music recitals.

Japanese Professor to Have Chair in Bangkok University

Choji Itoh, Professor of the Kyushu Imperial University, who arrived in Bangkok, Siam, recently, at the invitation of the Siamese State University of Letters and Politics, has been given a chair in economic politics. Mr. Itoh's lectures, according to an announcement made by the University, will deal with agriculture, and will be closely linked with the agrarian reforms contemplated by the Siamese Government.

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Highest Point on Singapore Island to Be Fortified

Mount Faber, one of the highest points on the island of Singapore, will be fortified, according a message from said port dated Jan. 18. Military defense works will be erected by the authorities on Mount Faber, which, it is understood, will be closed to the public during the period of construction. It will be reopened, however, after the defense works have been completed.

Shanghai Power Co. Demonstrates "Sight" Meter

The refinement to which the of study lighting has been brought is illustrated in the use of a small instrument with which the Shanghai Power Company measures light. This "sight meter" is a pocket size instrument with a watch dial on which a scale is calibrated in footcandles from zero to fifty. Placed on a desk it will immediately gauge whether there is sufficient light or otherwise, normal print requiring from 10 to 20 f. c., and severe visual work for long periods needing up to 50 f. c. Good illumination and efficiency go hand in hand both at the office desk and in the factory. The Shanghai Power Company is prepared to carry out tests without charge to its clients, and to those who are interested in efficient and economical lighting schemes.

In the United States Court for China

In re.
Estate of
JOSEPH CHARLES STRITZEL,
Deceased

Cause No. 3786
Special Proceedings No. 1004
NOTICE
Filed at Shanghai, China, January 23, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOSEPH CHARLES STRITZEL, deceased, to present the same with vouchers to the undersigned on or before August 16, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Raven Trust Company,
Shanghai, China.

Shanghai, China.
January 23, 1935.

SUPPRESSING COMMUNIST-BANDITRY IN CHINA

Edited by Tang Leang-li

Deals with the origin of the Communist movement and contains chapters on the period of toleration, proscription, military campaign against Communist-bandits, foreign communist activities, the communist organization, connection with the labor movement, land policy of the Government and a foreign missionary's impressions. Also an appendix containing text of anti-communist law, program of political and economic rehabilitation, etc., etc.

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160 Avenue Edward VII,
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Rehabilitation Progress in Kiangsi Told in Speeches

Reports concerning reconstruction in Nanchang and in Kiangsi province in general, the Communist-suppression campaign, rural rehabilitation and education were made by leading Kiangsi officials at a dinner given in Nanchang Jan. 18 by the mayor of Nanchang in honor of the party of foreign journalists now on tour in Kiangsi province

Kung Hsueh-sui, mayor of Nanchang and concurrently commissioner of reconstruction in the Kiangsi provincial government, outlined the work accomplished by the municipal government of Nanchang and by the reconstruction bureau.

The most notable achievement in Kiangsi, he said, had been the building of roads, which not only improved communications but also proved of tremendous assistance in the government's campaign against the Communists. He estimated that about 5,000 kilometers of roads were now open to motor traffic. The municipal government was also constructing a bridge across the Kan river, which separated Nanchang city from the Nanchang railway-station, and this would be completed in a year's time.

General Yen, representing the Generalissimo's headquarters, stated that the Red menace in Kiangsi started on August 11, 1927, when the communists captured Nanchang. The Communist uprising in Kiangsi lasted seven and a half years and could be divided roughly into three periods. The first period, or the birth and growth of the movement, ran from 1927 to 1930. The second period, from 1930 to 1933, marked the spreading of Communist influence. The third period, from 1933 to 1934, saw the decline of the Red menace in Kiangsi.

Gen. Yen added that by adopting new tactics against the Communists General Chiang Kai-shek was able, in 1933, to gain successes in the government's campaign. The Communists had left Kiangsi and were escaping into Kweichow and Szechwan. The Communist suppression campaign was by no means over and would be continued until the entire country was rid of the Red menace.

Foreign newspaper correspondents and Chinese and foreign representatives of Shanghai papers inspect former red-controlled areas in Kiangsi province.

A report issued at Nanchang during the week stated that since the offensive taken last year by the Government troops the Reds have suffered many defeats, and have changed their strategy several times. At first, they tried the tactics of making assault upon the Government troops, while they were marching forward at a distance of three or five miles. But these surprise attacks failed to produce any effect, and so the Reds took to another ruse. They sent their seventh army corps as the so-called northern anti-Japanese vanguard troops to enter north-eastern Kiangsi, and at the same time rushed part of their army into Szechwan and Kweichow. By the first move, the Reds intended to enlist the sympathy and support of the people in their favor and by the second, they hoped to prevent the government troops from pushing on their campaigns. But both of these ruses failed of their object, for the people were not deceived, fully recognizing the necessity, above all, of suppressing the Communist menace, and also the rear of the government armies was strongly re-enforced, so that they were not affected by the maneuvers of the Reds. Their strong defense works are of no avail in face of the relentless onslaught of the government troops by means of heavy artillery and bombing planes. The advantage of the Reds lies in their quick and uncertain movements, but when they go in for hard fighting, they simply court defeat. However, the measure that proved most disastrous for them is economic blockade, which has been effective in ruining the morale of their soldiers, and in causing them to desert their ranks.

Profiting by its experiences gained in the past, the government Communist-suppression headquarters in Nanchang, under the able command of General Chiang Kai-shek, has formulated certain reforms and measures, the most important of which are: (1) Reorganizaing the division unit in the army to consist of three regiments, reinforcing the fighting power of the company, and perfecting the organizations in the army for sanitation, transport, and communication. (2) Adopting the tactics of irregular and guerilla fighting coupled with uprising attacks to encounter the uncertain movements of the Reds, the establishment of a system of blockhouses. (4) Tightening up army discipline, and establishing a system of asylums and detention houses for refugees. (5) Training the officers at Kuling. (6) Improving the means of communication by building new roads and installing telephones. (7) Educating the people, and establishing a system of mutual guarantee. (8) Reforming local political administration. (9) Reviving the system of cooperative societies in rural districts. (10) Reorganizing the land system. (11) Giving better treatment to captured Reds and those who surrender, and establishing reformatories. (12) Enforcing the blockade. (13) Organizing a special corps of plain clothes soldiers who were to keep moving everywhere to counteract the work of the Reds.

THE GIST OF JAPANESE PRESS OPINION

It was the opinion of some people, that a serious crisis would develop from Japan's continued possession of the South Sea mandate after completion of her secession from the League of Nations. It is truly congratulatory that the League's attitude makes such rumors baseless.—*Tokyo Miyako.*

The Chinese political perspective for 1935 is gloomy. Still, the Nanking Government decision to concentrate its future efforts towards national unification inspires us with confidence. It is to be sincerely hoped that the Chinese authorities proceed a step further and seek cooperation with Japan.—*Osaka Asahi.*

Finance Minister Takahashi suggests advisability of restricting Japan's investment in Manchukuo. Presumably he means to limit Japan's economic aid to Manchukuo to in order that Manchukuo may utilize her resources. Surely this is ignoring the fact that the greater investments mean greater utilization of resources.—*Tokyo Yomiuri.*

The Sino-Manchou through postal service agreement will undoubtedly lead the way to their reconciliation, which is essential to the peace and welfare of the Far East. It is hoped that China will cooperate and not bring up petty arguments which will interfere with the service.—*Tokyo Chugai.*

The Sino-Manchou postal service has now been put into force; the League Council is willing to recognize Japan's continued tenure of control over the South Seas; and the CER negotiations will soon be favorably concluded; all these indicate a reassuring outlook for the Far East and for Japan's diplomatic operation.—*Tokyo Fochi.*

The estrangement between the Government and the Seiyukai seems to end in a scandal campaign since some Seiyukai members have already accused a certain Minister of corruption. Political struggles carried to such extremes, indicate a degeneration of the constitution. and must be better controlled for the Diet's dignity.—*Tokyo Miyako.*

The Government bill of export silk sales control act has met the pronounced opposition of the general silk exporters and exchanges on the ground that any attempt to fix silk quotations artificially at home alone would be futile. Surely the Government must reconsider the proposition by listening to such criticisms.—*Tokyo Nichi Nichi.*

The economic distress of the farmers has remained unchanged but plans have been made concerning rice control, export silk sales, and cocoons transactions, which make the prospects for the new year unusually reassuring. It is hoped that the needed improvement may be made this year.—*Tokyo Hochi.*

The creation of an Economic Department in Prefectural Government to facilitate economic development of localities need not be discarded. For it is generally recongnized that local administrative reform is badly needed. Only let us hope that the right men will be put in the right place to carry out the present reform.—*Tokyo Chugai.*

The dysentry epidemic in Kawasaki emphasizes the necessity for improving hygienic condition in Japan. The authorities and medical institutions must combine their forces to improve the hygienic and sanitation conditions of the Empire.—*Tokyo Yomiuri.*

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11.20 *dep.*	Tsingtao	*arr.* 10.40
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2.45 *dep.*	Tientsin	*arr.* 7.15
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9.15 *dep.*	Shasi	*arr.* 14.15
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10.15 *dep.*	Ichang	*arr.* 13.15
12.25 *arr.*	Wanhsien	*dep.* 11.05
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10.25 *dep.*	Foochow	*arr.* 11.05
11.35 *arr.*	Amoy	*dep.* 9.55
11.55 *dep.*	Amoy	*arr.* 9.35
12.55 *arr.*	Swatow	*dep.* 8.35
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The National City Bank of New York, Rates of Exchange

Shanghai, Jan. 23, 1935

Demand selling rate on America:	U.S.$1.00=Sh. $ 2.83
Demand buying rate on America:	U.S.$1.00=Sh. $ 2.79
Demand selling rate on London:	£1.0.0=Sh. $13.91
Demand buying rate on London:	£1.0.0=Sh. $13.61

Latest New York Stock Exchange Quotations

January 23, 1935

Business Done:
Total Volume:- 590,000 Shares

1933-34 High	1933-34 Low	Div. $ per sh.	STOCKS	Last Sale Jan. 21	Last Sale Jan. 22
115⅝	47½	3.00	Air Reduction	113	112⅞
33	11½	1.20	Alaska Juneau	17⅝	17½
160¾	70¾	6.00	Allied Chemical	135½	134½
26⅝	6	—	Allis Chalmers	16⅞	17
42½	9¼	0.80	Am. Brake Shoe & Fdry.	27¼	27¼
117¼	49½	4.00	American Can	113¾	115
89⅞	13	—	Amer. Comml. Alcohol	29¾	29¼
22½	3¼	0.40	Amer. Cyanamid "B"	17⅝	17⅝
19⅝	3⅞	—	American & For. Power	4⅛	4¼
39½	5⅞	—	American Locomotive	19	18⅝
19	4⅝	—	American Radiator	14¾	14¼
53½	10¾	—	American Smelting	36⅞	35¾
134¾	86½	9.00	American Tel. & Tel.	105½	105⅝
94⅝	50¾	5.00	American Tobacco "B"	82⅝	82½
42¼	10⅞	1.00	American Waterworks	13⅞	13¼
22⅞	5	—	Anaconda Copper	11⅛	11⅛
35¼	12⅝	1.00	Atlantic Refining	24	24¼
84¼	16⅞	—	Auburn	25⅝	24½
37⅞	8¼	—	Baltimore & Ohio	12¾	12½
49½	10⅜	—	Bethlehem Steel	32½	31⅝
11	6¾	—	Boeing Airplane Co.,	9⅝	9
31¼	5½	1.00	Borg Warner	30½	30¼
20⅞	7½	—	Canadian Pacific Railway	13⅝	13¾
103½	30½	—	Case, J. I.	56½	56
40¾	15⅞	1.40	Chase National Bank	25⅞	25⅝
52½	14⅞	2.50	Chesapeake Corporation	40⅝	40½
60¾	7¾	1.00	Chrysler	38⅝	38
28½	6¾	—	Columbia Gas & Electric	7	6¾
57¼	9	0.60	Coml. Solvents	22¼	22
6½	1	—	Commonwealth & Southern (ord.)	1⅛	1⅛
64½	19	1.00	Consolidated Gas of N. Y.	20	19¾
67½	23¾	2.40	Continental Can	64¾	65
23⅜	4⅞	1.00	Continental Oil	18	17¾
90⅝	45⅝	3.00	Corn Products	65	65
9⅞	2	—	Coty Inc.	6¼	6⅛
28½	10¼	—	Douglas Aircraft	23	23
103⅝	32½	2.60	Du Pont de Nemours	95	94⅞
117⅝	46	4.00	Eastman Kodak	114½	113½
31⅜	10	—	Electric Auto Lite	26	25¼
41⅜	6½	—	Electric Bond & Share	6¾	6⅛
19	8¼	—	Fox Film "A"	11½	11
50⅜	16¼	2.00	Freeport Texas	24¼	24¼
43⅜	13⅜	1.00	General America Transport	37	36⅝
30¼	10½	0.60	General Electric	23¼	23⅜
39⅞	21	1.80	General Foods	34⅜	34¼
42	10	1.00	General Motors	32	31⅝
28¾	8¾	1.00	Glidden Co.	24⅝	24¼
27⅜	12	1.20	Gold Dust	16½	16½
47½	9¼	—	Goodyear Tire & Rubber	23½	22¼
50¾	7½	—	Illinois Central	15	14½
40	6½	0.25	International Cement	29½	29⅛
46⅞	13½	0.60	International Harvester	41⅜	41
29¼	6⅜	0.60	International Nickel	28⅜	28¼
21⅜	5¼	—	International Tel. & Tel.	9⅜	9⅝
66⅜	12¼	—	Johns Manville	53¼	52½
26	7⅜	0.60	Kennecott	16⅝	16⅞
110	49	4.00	Liggett & Myers "B"	105½	105
37¼	8¼	1.00	Loew's Inc.	32⅝	32¼
25¼	10⅜	1.20	Lorillard	20⅝	20⅜
35⅜	8⅜	—	Montgomery Ward	27¼	27¼
43	16⅞	1.00	National City Bank	21⅞	21⅜
33¼	16¼	0.50	National Distillers	27	26⅝
53¼	14	—	New York Central	19⅜	18⅝
26½	10⅜	1.00	North American	12⅞	12½
96⅜	31½	4.00	Owens Illionois Glass	87	86⅝
31⅞	13¼	1.50	Pacific Gas & Electric	14	14
43⅜	21	3.00	Pacific Lighting	22⅝	22
6⅞	1⅜	—	Packard Motors	5	5
42¼	13⅜	1.00	Pennsylvania Railroad	22½	22⅛
20⅜	4⅜	1.00	Phillips Petroleum	15	14⅝
12¼	3	—	Radio Corporation	5¼	5⅛
54¼	26¼	3.00	Reynolds Tobacco "B"	48⅝	47½
51⅜	12¼	—	Sears Roebuck	36¼	35⅞
19⅞	6	0.60	Socony-Vacuum	14⅛	14
28	10¼	1.50	Southern California Edison	12	11⅝
22¼	4	—	Standard Gas & Electric	4¼	4⅛
50⅛	22⅜	1.00	Standard Oil Co. of N. J.	42¼	41½
66¼	45⅜	3.80	Sterling Products	60	59⅝
30¼	10⅜	1.00	Texas Corporation	19⅝	20
9⅜	2⅝	.12½	Transamerica	5⅜	5⅜
51⅞	19⅜	1.40	Union Carbide & Carbon	46	45½
133⅞	61¼	6.00	Union Pacific	104⅞	105
15¼	8½	—	United Aircraft (New)	14	14
14½	2¼	—	United Corporation	2⅝	2⅝
25	11⅝	1.20	United Gas Improvement	12¼	12
62⅓	21½	2.00	Universal Leaf	55½	55⅝
25	2⅞	—	U. S. Rubber	15⅜	15
67½	23⅝	—	U. S. Steel	38⅝	38
36¼	7⅝	—	Vanadium	20⅜	19⅜
13⅝	1	—	Warner Bros. Pictures	3⅞	3⅞
58¾	19⅜	0.25	Westinghouse Elect.	39½	38½
65⅛	25⅞	2.40	Woolworth	53¾	53½

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